

THIRD QUARTERLY OPERATING REPORT

FISCAL YEAR 2010-2011

EXECUTIVE SUMMARY

May 18, 2011

The Quarterly Operating Report is produced and published on the City's web site within 45 days of the close of each fiscal quarter based on Financial Policy 10.04.040, then shared with the City Council's Administrative Services Committee to provide citizens, the Budget Commission and City Council with information about the City's financial performance for the quarter.

This Executive Summary provides highlights of the City's financials, and includes, as an appendix, a reader's guide to some of the terminology used throughout the report. The remainder of the report covers:

- The revenue and expenditure performance for each of the operating funds in an income statement format that includes operating and non-operating revenues, expenditures and total fund activities. The first income statement presented in that section shows results year-to-date for all property tax funds combined.
- Departmental information including updated performance measures for the quarter as well as accomplishments and pending work plan items. This section also includes a report on vacancies;
- Capital Improvement Program (CIP) status report on the various projects underway year-to-date; and
- An update on City Council Values and Goals.

The FY 10-11 budget was prepared and adopted during a time of national economic recession. High unemployment, declining property values, and slowed development, as well as significantly lower than historical results in FY 09-10, were all taken into account when preparing the budget. Despite these factors, demand for many City services has never been higher, which in the face of the relatively flat or declining revenue stream is having a negative impact on fund balances across the organization.

At the end of the third quarter, market analysts have stated that economic recovery is expected to gain momentum during the rest of this year, despite a setback in the first quarter of calendar 2011. Contributing factors to the current ongoing weakness include the anemic housing market, severe weather, the earthquake in Japan and rising oil prices due to unrest in the Mideast. However, economists expect these problems to be temporary, with an improving outlook for the labor market to spark growth later in 2011. Optimism for U.S. growth near term stems from positive data trends in the areas of personal consumption expenditures, exports and nonresidential fixed investment. As of the end of March, the national unemployment rate was 8.8% while Oregon's unemployment rate held at around 10%. Despite Oregon's unemployment rate being at its lowest since January 2009, approximately 200,000 Oregonians remain unemployed. Corvallis has continued to fare better than the State in general, at 6.3% unemployment on a seasonally adjusted basis, and remains the only Metropolitan Statistical Area in Oregon with a rate of less than 10%, other than Portland/Vancouver/Hillsboro at 9.6%. Currently in FY 10-11, the Federal economic stimulus that was so prominent in FY 09-10 has subsided as American Recovery and Reinvestment Act (ARRA) projects are finished or nearing completion.

Overall, the City's financial performance through the third quarter of the fiscal year generally has been as expected. Revenue and expenditure patterns are close to historical patterns (i.e., the majority of Property Tax revenue is received in the second quarter, while most expenditures remain at or slightly below budget pro-rated for year-to-date). The economy continues to impact the pace of residential building, but large projects from OSU have stabilized development revenues for the time being. In some cases, the percentage of revenues received compared to budget may belie what remains relatively poor revenue performance, due to reduced revenue estimates. This certainly holds true for some charges for service or fee-related revenues, such as Parks and Recreation activities and System Development Charges, where budget numbers may have been revised down due to the economy, but appear to be performing better because they are exceeding estimated amounts.

Expenditures are in line with last year's spending patterns for the first nine months of the fiscal year. Departments continue to actively control expenditures in FY 10-11 in an effort to attain adequate fund balances at the end of the year.

The following table compares year-to-date actuals with budget for all funds in both FY 10-11 and FY 09-10:

REVENUE	AMENDED BUDGET	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	AMENDED BUDGET	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$40,494,356					
Property Taxes	\$21,208,240	\$19,865,996	93.67%	\$20,961,130	\$19,374,678	92.43%
Other Tax	1,036,190	740,109	71.43%	1,194,350	677,793	56.75%
Licenses/Permits	6,844,580	4,969,376	72.60%	6,886,740	4,961,426	72.04%
Charges for Service	38,306,510	29,884,035	78.01%	38,215,330	29,017,769	75.93%
Intergovernmental	18,355,056	7,859,059	42.82%	16,821,175	7,462,396	44.36%
Fines/Forfeitures	1,365,570	899,031	65.84%	1,413,310	727,629	51.48%
Miscellaneous	2,648,600	1,185,045	44.74%	2,997,033	1,996,356	66.61%
Other Financing Sources/Transfers in	15,646,822	6,292,768	40.22%	14,304,855	5,415,392	37.86%
TOTAL CURRENT REVENUE	\$105,411,568	\$71,695,419	68.01%	\$102,793,923	\$69,633,439	67.74%
EXPENDITURE BY DEPARTMENT						
City Manager's Office	\$3,084,270	\$2,266,879	73.50%	\$3,111,770	\$2,277,510	73.19%
Community Development	8,276,960	3,915,862	47.31%	7,553,710	3,349,283	44.34%
Finance	4,995,400	3,475,557	69.58%	4,913,490	3,551,761	72.29%
Fire	10,626,930	7,620,523	71.71%	11,524,260	8,605,203	74.67%
Library	6,434,610	4,417,215	68.65%	6,473,870	4,594,225	70.97%
Park & Recreation	5,795,480	4,008,549	69.17%	6,023,513	4,213,028	69.94%
Police	12,585,424	9,121,840	72.48%	12,494,671	9,213,063	73.74%
Public Works	29,268,899	17,279,457	59.04%	31,247,784	18,730,000	59.94%
Non-Departmental	1,519,260	1,105,429	72.76%	1,824,820	1,450,039	79.46%
TOTAL OPERATING EXPENDITURES	\$82,587,233	\$53,211,311	64.43%	\$85,167,888	\$55,984,112	65.73%
Debt Service	\$8,162,110	\$4,765,102	58.38%	\$7,214,200	\$4,703,395	65.20%
Capital Projects	14,157,847	3,028,944	21.39%	11,866,610	2,557,726	21.55%
Transfers Out / Other Financing Uses	13,089,352	4,151,070	31.71%	13,582,235	5,404,044	39.79%
Contingencies/Reserves	1,302,520	0	0.00%	1,585,740	0	0.00%
TOTAL ALL EXPENDITURES	\$119,299,062	\$65,156,427	54.62%	\$119,416,673	\$68,649,277	57.49%
CURRENT REVENUES LESS TOTAL EXPENDITURES	(\$13,887,494)	\$6,538,992		(\$16,622,750)	\$984,162	

In general, the status of the City's finances was in line with expectations at the end of the third quarter. Year-to-date revenues of \$71,695,419 are at 68.01% of the Amended Total Revenue Budget of \$105,411,568. The Amended Budget reflects the adopted budget, plus any amendments approved by the City Council via resolution during the course of the fiscal year. In the first nine months of FY 10-11, the following amendments to the budget were approved:

Date	Amendment Type	Resource	Fund	Department	Net Expenditure	Impact
7/19/2010	Res - Grant	LSTA Grant	Library	Library	\$	50,000
7/19/2010	Res - Grant	EPA Storm Grant	Storm	Public Works	\$	14,737
9/7/2010	Res - Grant	DOJ Byrne Grant	General	Police	\$	13,478
10/4/2010	Res - Grant	Benton County ARRA	Street	Public Works	\$	130,000
10/18/2010	Res - Grant	DOJ Byrne Grant	General	Police	\$	85,411
10/18/2010	Res - Grant	US DOJ Grant	General	Police	\$	5,228
11/6/2010	Res - Grant	US EPA Grant	General	Public Works	\$	491,762
2/22/2011	Res - Appropriation	Criminal Asset Forfeiture	General	Police	\$	15,367
					Total Increase	\$ 805,983

Significant revenue highlights include:

- **Property taxes** totaled \$19,865,996 through the third quarter which equals 93.67% of the budgeted property tax revenue. The majority of property taxes for the fiscal year are typically collected in the second quarter. FY 10-11 year-to-date property tax revenues are comparable with last fiscal year's results, as collections have followed the historical pattern.
- **Other Taxes** are collected from hotels in the form of room taxes and totaled \$740,109 or 71.43% of budget for the first nine months of the fiscal year. Increased hotel rates as well as the number of hotel stays from an early football season, amongst other factors, have led to better total results year-to-date compared to last year at the same time.
- **Licenses, Fees and Permits** totaled \$4,969,376 which represents 72.60% of the amended budget. While franchise fees are underperforming year-to-date, a rate increase for Pacific Power that went into effect in November has started to offset projected shortfalls brought on by utility conservation efforts. The transportation maintenance fee collections are on target and Development Service permit fees are higher than expected due to ongoing large projects at OSU. Billing and collection of

Sustainability Initiative Fees (SIF) began in the third quarter (February) and have brought in about in \$217,450 to be used for fareless transit, sidewalk maintenance and urban forest trees.

- **Charges for Services** were \$29,884,035 which represents 78.01% of the amended budget. These revenues are slightly above target with budget and last year.
- **Intergovernmental** revenues are below target year-to-date and low compared to last year’s actuals at \$7,859,059 or 42.82%. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures.
- **Fines & Forfeiture** receipts related to Municipal court remain under budget but are increasing relative to last year based on concentrated efforts related to collection of past due traffic and parking fines. In the first three quarters of FY 10-11, results of collection activities are summarized in the following table:

	<u>Overdue Fines</u>		<u>Collected</u>	<u>Balance</u>	
	<u>Turned over</u>	<u>Written Off</u>		<u>Outstanding</u>	
Traffic	\$849,559.60	\$10,719.80	\$7,200.95	\$831,638.85	
Parking	\$124,524.40	\$1,638.00	\$22,338.23	\$100,548.17	

- **Interest earnings** are coming in higher than originally expected, with some improvement in rates over what was anticipated. Investment earnings total \$211,298 at the end of the third quarter, which represents 90.23% of the budgeted interest. This trend may continue with the help of the City’s new investment advisory firm contract, but may also be dampened by recent market declines brought on by economic factors noted earlier in this summary.

Operating expenditures for all funds totaled \$53,211,310 or 64.43% of the Amended Operating Expenditure Budget which is lower than last year both in total dollars expended and percentage of budget. These results are partly reflective of department efforts to contain costs, particularly in the property tax funds where resources are becoming much more limited. Non-operating expenditures, which include capital projects, transfers, debt service, and contingency, totaled \$11,945,117 or 32.54% of the \$36,711,829 Amended Non-Operating Budget. In total, expenditures through the third quarter were \$65,156,427 or 54.62% of the \$119,299,062 budgeted, compared to 57.49% for last fiscal year. A breakdown of departmental expenditures by category is provided below:

OPERATING EXPENDITURES BY DEPARTMENT

DEPARTMENT	AMENDED BUDGET	PERSONAL SERVICES	SUPPLIES & SERVICES	CAPITAL OUTLAY	TOTAL EXPENDITURES	% OF AMENDED BUDGET
<i>Total Budget by Category</i>		\$45,355,916	\$35,223,317	\$2,008,000	\$82,587,233	
City Manager’s Office	\$3,084,270	\$955,745	\$1,311,134	\$0	\$2,266,879	73.50%
Community Development	8,276,960	2,468,304	1,447,557	0	3,915,862	47.31%
Finance	4,995,400	2,488,443	959,620	27,495	3,475,557	69.58%
Fire	10,626,930	6,241,837	1,353,691	24,994	7,620,523	71.71%
Library	6,434,610	2,798,637	1,533,798	84,781	4,417,215	68.65%
Parks & Recreation	5,795,480	2,624,200	1,363,759	20,590	4,008,549	69.17%
Police	12,585,424	6,929,023	2,186,777	6,040	9,121,840	72.48%
Public Works	29,268,899	8,053,123	9,035,057	191,277	17,279,457	59.04%
Non Department	1,519,260	0	1,105,429	0	1,105,429	72.76%
TOTAL	\$82,587,233	\$32,559,311	\$20,296,822	\$355,177	\$53,211,310	64.43%
Percent of Budget		71.79%	57.62%	17.69%	64.43%	

Significant expenditure highlights include:

- **Personal services** totaled \$32,559,311 or 71.80% of the amended budget of \$45,345,916 and was in line with the percent of budget spent in FY 09-10, though \$721,000 higher due to cost of living and associated benefit increases.
- **Supplies and Services** totaled \$20,296,822 or 57.61% of the amended budget of \$35,223,317. The dollars spent in FY 10-11 are approximately 8% lower than the amount spent in the same period in FY 09-10 due primarily to the slowdown of ARRA grant funded projects in the Public Works department.
- **Capital Outlay** totaled \$355,177 or 17.69% of the amended budget of \$2,008,000. Capital purchases do not tend to follow a regular pattern other than to typically weight toward the end of the fiscal year to ensure that sufficient budget remains for the acquisition.

NON OPERATING EXPENDITURES

- **Capital projects** totaled \$3,028,944 or 21.39% of the amended budget of \$14,157,847. Capital project expenditures tend to fluctuate year-over-year, and there are always projects that are either carried forward into following years or simply do not come to fruition.
- **Debt service** payments totaled \$4,765,102 or 58.38% of the amended budget of, \$8,162,110 which is similar to last year's levels.
- **Transfers and Other Financial Uses** totaled \$4,151,070 or 31.71% of the amended budget of \$13,089,352. The majority of the transfers are related to capital projects. See the Capital Improvement Program section for information on the status of capital projects.

As always, if you have questions or concerns about the information in this report, please do not hesitate to contact me at (541) 766-6990 or via e-mail at nancy.brewer@ci.corvallis.or.us.

Nancy Brewer
Finance Director

READER'S GUIDE TO QUARTERLY OPERATING REPORT – TERMINOLOGY APPENDIX

REVENUES

Below are listed the various revenue categories, the major elements in those revenue types, and the funds which have the revenue type as a major revenue source:

Property Tax Revenues - Property taxes provide approximately half of the operating revenue for programs in the property tax supported funds and all of the revenue for general obligation debt. Property taxes are currently found in the General, Parks and Recreation, Fire and Rescue, Transit, Library and General Obligation Debt Service Funds, although after FY 10-11 Transit will no longer receive property tax funding. The majority of the property tax revenues are received in the second quarter.

Other Taxes - Transient Room Taxes are taxes on hotel and motel occupancy and reflect their usage rate. The City currently levies a room tax of 9% of the room costs on all transient lodging in the City limits. These revenues tend to be somewhat seasonal and subject to volatility depending on economic conditions.

License, Fees & Permits - Franchise Fees provide approximately 35% of the operating revenue in the General Fund. In addition to right-of-way fees charged to local utility companies, franchise fees are also assessed against and paid for by the City's water, wastewater, and storm water utilities. Revenues for park use permits, sound and camping permits are received in the Parks & Recreation Fund, and tend to be seasonal in nature. Building permit revenue is recorded in the Development Services Fund. Parking lot space fees and residential parking permits are received in the Parking Fund while transportation maintenance fees and right of way permits are received in the Street Fund. Charging of monthly Sustainability Initiative Fees (SIF) on the utility services bill began in February 2011. These fees are to be used for transit operations (to support fareless transit), sidewalk repairs, and urban tree replacements.

Charges for Services - General Fund charges include development review charges and rental charges for City owned buildings. The Parks and Recreation Fund generates revenue from recreation programs and System Development Charges (SDC's). Charges for Police and Fire 911 services are received in the 911 Emergency Fund. Water, sewer and drainage user fees and SDC's are received in the Water, Wastewater, and Storm Water Funds. The Airport Fund receives revenues for hangar rentals, fuel sales, and seed crops. The Internal Service Funds (Technology and Communications, Administrative Services, Fleet, Facility Maintenance, and Risk Management) receive payments for services provided to other city departments.

Intergovernmental - State sharing revenues include cigarette, liquor, 911 and highway taxes and currently make up approximately 27.90% of amended budget intergovernmental revenues. Benton County Intergovernmental funds for Library support make up approximately 13.85% of intergovernmental revenues and are primarily received in the second quarter since they are tied to property tax turnovers. Projected grant revenue makes up nearly 54.63% of the intergovernmental revenue amended budget. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures. The remaining 3.62% of budget is for other revenue items such as 911 system cost share from other government agencies.

Fines and Forfeitures - Revenues include fines imposed through Municipal Court for traffic and parking violations, library fines and violations of the Uniform Fire Code. Revenues are also derived from property damage restitution payments, asset seizures and forfeitures through court action. Fines and forfeitures are mainly found in the following funds: General, Parking and Library.

Miscellaneous Revenues - Miscellaneous revenues include donations, housing and assessment loan repayment proceeds, business energy tax credits (BETC), gifts/contributions, insurance proceeds, bad debts recovered and investment interest revenues. Interest revenues represent less than 10% of the total miscellaneous revenue budget, which is a much smaller amount than in prior years.

Other Financing Sources - Other Financing Sources consist mainly of "interfund" and "intrafund" transfers that are primarily for capital construction projects and debt service requirements. The Capital Improvement Program section presents information by project and addresses related transfers.

EXPENDITURES

Expenditures are identified in the income statements by Department, and in the Department Summary section of the QOR each department's operating expenditure budget is broken down by the classification of expenditure. Included in each classification are:

Personal Services - Includes wage and benefit amounts paid to both permanent and temporary City employees, including personnel substituting for those in permanent positions.

Supplies & Services - Includes amounts paid for supplies used in operations and services rendered by organizations or personnel not on the City's payroll, including repair and maintenance-related services, professional contractual services and utilities.

Capital Outlay - Most capital outlay purchases consist of machinery, equipment and vehicles over \$5,000. Expenditures in this category are typically lower in the first part of the year based on cash flow management and the time it takes between order and delivery for large vehicles. Much of the City's fleet and equipment are on replacement schedules and are purchased using management reserves established to smooth out potential spikes from these more sporadic large dollar purchases.

Expenditures in the non-operating budget are identified in the income statements, and are summarized as follows:

Capital Projects - Capital Projects occur in the Capital Construction, Water Construction, Wastewater Construction, Storm Water Construction and Airport Construction Funds. The Capital Improvement Program Section presents an analysis by project and information on year-to-date expenditures.

Debt Service - Budgeted debt service payments of \$2,544,980 are supported by specific property tax levies. Debt service incurred in support of enterprise operations (Water, Wastewater, Storm Water and Airport) totals \$3,285,260 and is paid from revenues derived from charges for services within each fund. Pension obligation bond annual debt service of \$2,281,950 is primarily funded by current revenue proportionate to each City Fund's respective PERS liability.

Transfers/Other Financing uses - Transfers represent Intra-fund and Inter-fund transfers for capital projects and debt service contributions. These can fluctuate depending on the progress of construction projects or timing of debt issuance.

The income statements which follow in the next section of the report are presented for each operating fund within the City. To assist readers in their analysis, an explanation of the format is included:

COLUMNS

DESCRIPTION

Amended Budget

This represents the Adopted Budget plus any changes in appropriations that have occurred since the budget was adopted. Changes include increased appropriations due to City Council adoption of Resolutions that: 1) accept and appropriate grants or donations which were unanticipated at the time the budget was adopted, 2) transfer appropriations between categories of expenditures (i.e., change of spending priorities), or 3) create a supplemental budget action.

X Qtr FY YY-ZZ

Revenues which have been received and expenditures which have been completed during the identified quarter of the identified fiscal year.

Unaudited Y-T-D
FY YY-ZZ

This is the total revenue or expenditure accumulated year-to-date which includes the current quarter and all prior quarters.

FY YY-ZZ
% Rec/Expend

This represents the percent of the amended budget which has been either received or expended year-to-date. Unless otherwise noted, the revenue/expenditure patterns are what staff anticipated when the budget was developed. Some revenue and expenditure patterns are expected to be relatively regular, with similar amounts received/expended each month during the fiscal year (i.e., utility fund charges for service revenue and salary and benefits expenses). However, other revenue and expenditure patterns are expected to be irregular (i.e., property tax revenue for which the majority is received in mid-November, seasonal Parks expenses, large capital purchases, debt service payments).

Prior Year Columns

The prior year quarter-to-date, year-to-date, and percent received/expended information are included to give a comparison of the revenue/expenditure patterns in the current year. For example, at the end of the first quarter the General Fund may show .10% of the projected property tax revenue received. By comparing the current quarter to the prior year's first quarter which showed .12% received, the reader is able to see that there is nothing unusual about the low figure.

ROWS

Beginning Fund Balance

This figure reflects what the adopted budget anticipated the beginning balance would be within this fund.

Revenues

Revenues are reported by classification which matches how they are reported in both the Budget and the Comprehensive Annual Financial Report.

Expenditures

Expenditures are reported by department which matches the level of appropriation.

Current Revenue less Total
Expenses

This calculation subtracts the current year expenditures from the current year revenue. In the Amended Budget column, if this number is negative it represents a planned "draw down" of the fund balance. If the Amended Budget column shows a positive number it represents a planned addition to fund balance. For any given quarter, if the year-to-date revenue less expenses number is more positive than the budgeted number then the fund is in better fiscal position than planned.

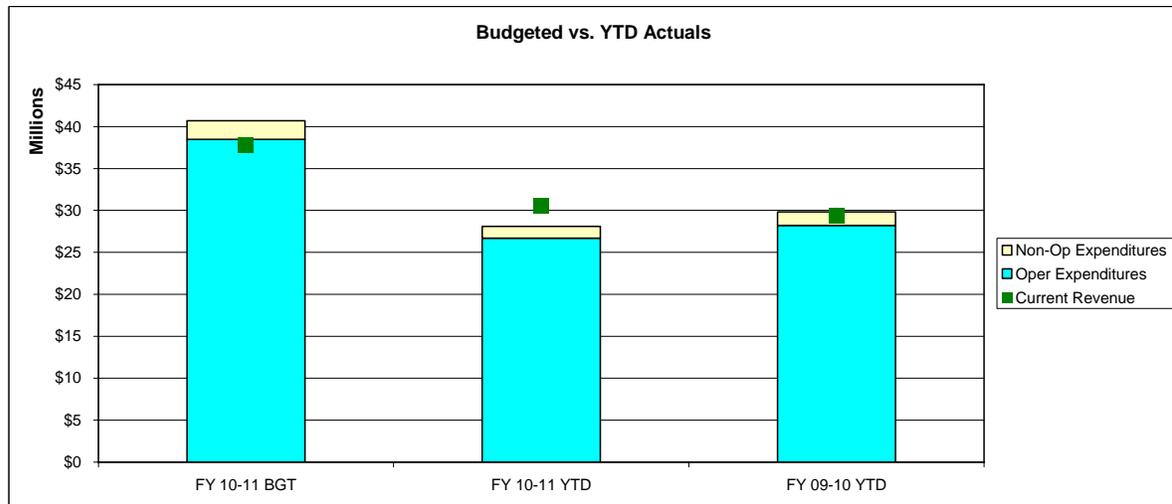
PROPERTY TAX FUNDS COMBINED*

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$2,716,096						
Property Taxes	\$19,233,240	\$784,238	\$18,098,581	94.10%	\$1,063,011	\$17,215,345	92.67%
Other Tax	1,036,190	219,495	740,109	71.43%	189,732	677,793	56.75%
Licenses/Permits	5,449,690	1,531,577	3,520,430	64.60%	1,512,249	3,508,060	62.78%
Charges for Service	5,307,470	940,176	4,190,812	78.96%	969,556	3,994,970	75.12%
Intergovernmental	5,050,299	407,890	3,050,424	60.40%	535,094	2,999,917	70.77%
Fines/Forfeitures	957,640	218,081	593,570	61.98%	193,163	459,988	45.55%
Miscellaneous	341,750	41,727	334,020	97.74%	53,697	535,313	115.73%
Other Financing Sources	430,450	2,505	21,507	5.00%	0	1,272	0.00%
TOTAL CURRENT REVENUE	\$37,806,729	\$4,145,689	\$30,549,453	80.80%	\$4,516,503	\$29,392,657	80.78%

EXPENDITURE BY DEPARTMENT

Community Development	\$1,618,220	\$363,109	\$1,086,613	67.15%	\$352,293	\$1,093,521	63.50%
Finance	618,920	145,796	430,804	69.61%	148,840	461,562	67.47%
Fire	10,626,930	2,482,827	7,620,523	71.71%	3,021,542	8,605,203	74.67%
Library	6,434,110	1,456,107	4,417,068	68.65%	1,588,334	4,564,914	70.92%
Parks and Recreation	5,795,480	1,134,386	4,008,549	69.17%	1,193,787	4,213,028	69.94%
Police	10,060,474	2,399,126	7,370,619	73.26%	2,403,452	7,541,932	74.47%
Public Works	1,816,852	197,410	657,669	36.20%	221,319	595,482	46.46%
Non-Departmental	1,517,910	366,009	1,104,079	72.74%	328,795	1,150,613	75.44%
TOTAL OPERATING EXPENDITURES	\$38,488,896	\$8,544,770	\$26,695,924	69.36%	\$9,258,362	\$28,226,255	71.78%
Debt Service	\$49,920	\$30,389	\$30,389	60.88%	\$0	\$0	0.00%
Transfers	1,818,300	0	1,368,130	75.24%	80,000	1,600,270	50.00%
Contingencies/Reserves	335,250	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$40,692,366	\$8,575,160	\$28,094,443	69.04%	\$9,338,362	\$29,826,525	69.15%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$2,885,637)	(\$4,429,471)	\$2,455,009		(\$4,821,859)	(\$433,868)	

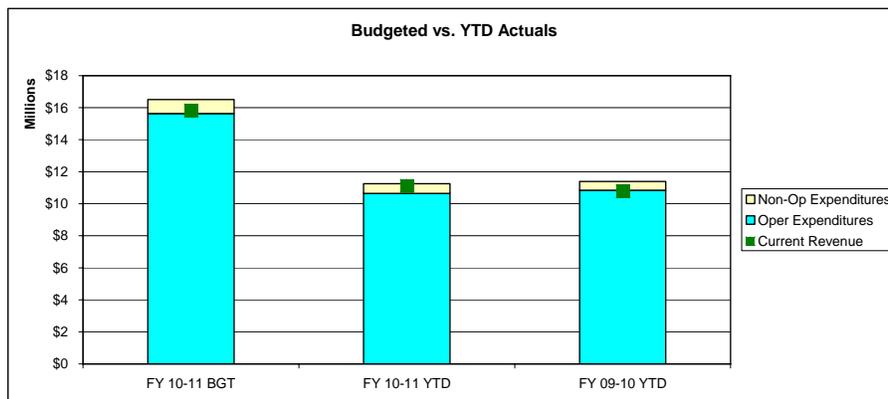
* Includes General, Parks & Recreation, Fire & Rescue, and Library Funds



GENERAL FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$633,098						
Property Taxes (1)	\$4,857,150	\$242,101	\$4,910,283	101.09%	\$309,587	\$4,851,029	99.33%
Other Tax (2)	1,036,190	219,495	740,109	71.43%	189,732	677,793	56.75%
Licenses/Permits (3)	5,383,940	1,503,277	3,466,620	64.39%	1,496,953	3,462,000	62.68%
Charges for Service	713,370	149,713	513,884	72.04%	155,178	461,609	72.81%
Intergovernmental (4)	2,476,979	315,027	878,186	35.45%	371,713	850,545	46.65%
Fines/Forfeitures (5)	866,700	188,912	508,242	58.64%	171,470	394,916	43.29%
Miscellaneous (6)	113,290	16,762	101,954	89.99%	13,831	81,364	53.61%
TOTAL CURRENT REVENUE	\$15,818,069	\$2,635,287	\$11,123,279	70.32%	\$2,708,465	\$10,779,257	71.28%
EXPENDITURE BY DEPARTMENT							
Community Development	\$1,618,220	\$363,109	\$1,086,613	67.15%	\$352,293	\$1,093,521	63.50%
Finance	618,920	145,796	430,804	69.61%	148,840	461,562	67.47%
Police	10,060,474	2,399,126	7,370,619	73.26%	2,403,452	7,541,932	74.47%
Public Works (7)	1,816,852	197,410	657,669	36.20%	221,319	595,482	46.46%
Non-Departmental	1,517,910	366,009	1,104,079	72.74%	328,795	1,150,613	75.44%
TOTAL OPERATING EXPENDITURES	\$15,632,376	\$3,471,450	\$10,649,785	68.13%	\$3,454,700	\$10,843,110	70.68%
Transfers (8)	\$700,760	\$0	\$581,330	82.96%	\$0	\$551,790	55.73%
Contingencies/Reserves	123,640	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$16,506,696	\$3,501,839	\$11,261,504	68.22%	\$3,454,700	\$11,394,900	68.71%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$688,627)	(\$866,553)	(\$138,225)		(\$746,235)	(\$615,643)	

- The majority of current year property taxes are collected in the second quarter. This year's collection pattern is generally consistent with prior years. The General Fund has collected more than budgeted year-to-date (YTD) in FY 10-11 due to a combination of higher than expected assessed value and an increase in collection of delinquencies.
- Transient room tax receipts are higher and more on target this year than in FY 09-10, although still below budget as of the third quarter of FY 10-11. While the first five months of receipts lagged target, staff now anticipate exceeding Adopted by year-end, due primarily to 9.3% higher lodging occupancy rates in Benton County brought on by some improvement in the local economy.
- Franchise fee revenues, which represent 96% of the budget in this category for the General Fund, are more than \$500,000 below target YTD in FY 10-11 and virtually flat compared with the first nine months of FY 09-10. Despite the positive conservation efforts which have led to this reduction, staff is optimistic that a recent 20% Pacific Power rate increase should assist fee collections in meeting close to Adopted budget levels by year-end.
- Grant receipts are typically received closer to the end of the year based on expenditure reimbursement. Revenue sharing, cigarette, and liquor tax receipts are below budget year-to-date. Revenue sharing receipts have been revised down based on year-to-date cash flows and League of Oregon City estimated distribution levels for the remainder of the year. Cigarette and liquor revenue receipts are distributed based on the population estimate report from Portland State University. This report was held up by census data alignment, which contributed to a third quarter delay in cigarette and liquor revenue turnovers; this back revenue is on track to be received during the fourth quarter.
- Municipal court traffic fine revenue is higher in FY 10-11 versus the same time period in FY 09-10 due primarily to the City's contract with a new collections agency, resulting in an improved collection rate. Total ticketing volume and associated fines remain low with continued police vacancies.
- YTD miscellaneous revenue is higher than usual due to an unexpected local improvement district lien payoff of \$21,500 in the first quarter. YTD court ordered restitution payments and subpoena reimbursement revenues are also coming in higher than projected.
- Public Works spending is below budget YTD due to \$700,000 in EECBG and EPA grant project appropriations now carried over to FY 11-12.
- Transfers include this fund's portion of the semi-annual debt service payments for the Pension Obligation Bonds, Development Services Fund support and those related to capital projects. See the Capital Improvement Program section for status information on capital projects.

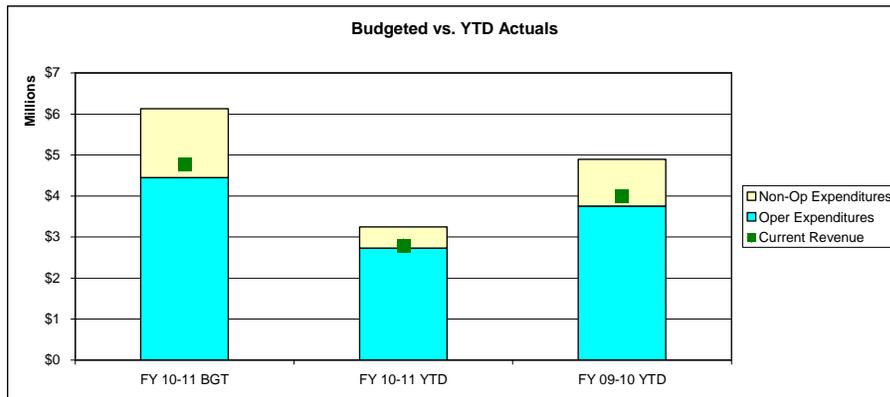


COMBINED STREET FUND*

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$362,488						
Licenses/Permits (1)	\$452,390	\$142,241	\$423,511	93.62%	\$107,120	\$342,495	71.58%
Charges for Service (2)	505,860	184,025	489,397	96.75%	384,445	740,489	119.35%
Intergovernmental (3)	3,797,260	673,658	1,867,128	49.17%	581,791	2,881,676	56.17%
Fines/Forfeitures (4)	500	(1,244)	3,791	758.12%	130	660	660.22%
Miscellaneous (5)	15,650	3,012	13,484	86.16%	4,575	22,526	23.35%
TOTAL CURRENT REVENUE	\$4,771,660	\$1,001,691	\$2,797,311	58.62%	\$1,078,060	\$3,987,847	63.04%
EXPENDITURE BY DEPARTMENT							
Community Development	\$19,750	\$4,971	\$13,785	69.80%	\$4,581	\$13,003	65.97%
Public Works (6)	4,429,360	824,415	2,719,008	61.39%	670,929	3,739,629	57.80%
TOTAL OPERATING EXPENDITURES	\$4,449,110	\$829,386	\$2,732,793	61.42%	\$675,509	\$3,752,632	57.82%
Transfers (7)	\$1,606,520	\$0	\$512,910	31.93%	\$32,300	\$1,140,370	60.12%
Contingencies/Reserves	73,920	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$6,129,550	\$829,386	\$3,245,703	52.95%	\$707,809	\$4,893,002	57.89%
CURRENT REVENUE LESS TOTAL EXPENDITURES	(\$1,357,890)	\$172,305	(\$448,392)		\$370,251	(\$905,156)	

* Includes Street SDC Fund

- (1) Fees in lieu of improvements for a new property, a new Right of Way (ROW) permit holder, and new sustainability initiative fee (SIF) revenue (established in February) are contributing to the increase in licenses/permits revenue.
- (2) Charges for Service are lower by \$250,000 versus last year at this time primarily because of the timing of development projects. Fourth quarter receipts of system development charge revenue however are anticipated to bring total receipts in FY 10-11 to levels in excess of last year's numbers.
- (3) State shared revenue (gas tax, registration, etc) is higher this year by about \$215,000. However, this category in total is significantly lower than last year based on grants for ARRA projects tapering off to only about \$169,000 in the current year to date versus \$1.4 million last year.
- (4) Negative activity reflects public works charge for service penalty fees waived on some customers and writing off accounts sent to collections.
- (5) Miscellaneous revenue is higher in FY 10-11 year-to-date due to several reimbursements from Benton County for non-eligible costs associated with ARRA projects outside City limits in addition to interest on investments and scrap metal sales.
- (6) Public Works expenditures are down significantly from last year due to a large amount of ARRA work done in the prior year.
- (7) Transfers include this fund's portion of the semi-annual debt service payments for the Pension Obligation Bonds, transfers related to capital projects, and support to the Development Services Funds. Transfers for capital projects are made based on anticipated needs. See the Capital Improvement Program section for status information on capital projects.

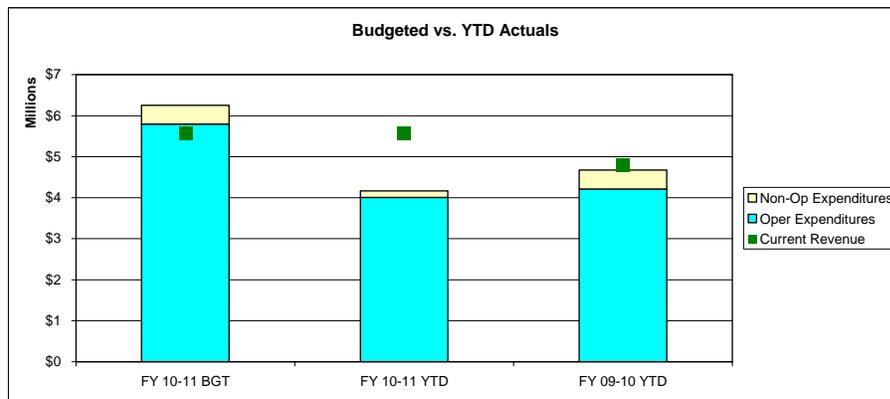


PARKS AND RECREATION FUND*

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$659,627						
Property Taxes (1)	\$3,870,450	\$145,960	\$3,550,696	91.74%	\$210,336	\$3,451,791	90.29%
Licenses/Permits (2)	47,800	24,084	38,059	79.62%	11,008	31,946	68.41%
Charges for Service (3)	1,552,430	565,260	1,883,555	121.33%	327,772	1,010,931	63.97%
Intergovernmental (4)	29,900	0	7,400	24.75%	0	7,400	27.01%
Fines/Forfeitures	100	60	260	260.00%	468	681	0.00%
Miscellaneous (5)	79,790	7,819	81,659	102.34%	16,767	298,867	224.93%
TOTAL CURRENT REVENUE	\$5,580,470	\$743,184	\$5,561,629	99.66%	\$566,351	\$4,801,616	85.58%
EXPENDITURE BY DEPARTMENT							
Parks and Recreation	\$5,795,480	\$1,134,386	\$4,008,549	69.17%	\$1,193,787	\$4,213,028	69.94%
TOTAL OPERATING EXPENDITURES	\$5,795,480	\$1,134,386	\$4,008,549	69.17%	\$1,193,787	\$4,213,028	69.94%
Transfers (6)	\$403,452	\$0	\$158,840	39.37%	\$80,000	\$460,690	39.33%
Contingencies/Reserves	54,900	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$6,253,832	\$1,134,386	\$4,167,389	66.64%	\$1,273,787	\$4,673,718	63.94%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$673,362)	(\$391,202)	\$1,394,241		(\$707,435)	\$127,898	

* Includes Park & Recreation, Osborn Aquatics, Open Space and Park & Recreation SDC Fund.

- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years.
- (2) Licenses/Permits are higher than budget and the prior year due to the addition of Urban Forest-SIF related revenue. Somewhat offsetting these increases are declining park shelter rentals, which year-to-date continue to be lower than in FY 10-11.
- (3) Charges for services are higher than last year due primarily to approximately \$862,000 in Parks SDC receipts that have been billed in respect of OSU projects, as well as OSU game day parking coming in over budget.
- (4) Both years' intergovernmental revenues are below budget due to the non-receipt of a budgeted annual \$20,000 Department of Energy grant related to the Herbert Open Space property, which was pending completion of the management plan. Since the plan was completed and approved in March 2011, implementation is expected to begin summer of 2011 so grant receipts are anticipated for FY 11-12.
- (5) Miscellaneous revenue is comparable to last year, excluding the \$206,000 bequest to the Senior Center received in the first quarter of FY 09-10. Both years show donation and non-governmental grant receipts well ahead of budgeted expectations.
- (6) Transfers include this fund's portion of the semi-annual debt service payment for the Pension Obligation Bonds and transfers related to capital projects. Transfers for capital projects are made based on anticipated needs. See the Capital Improvement Program section for status information on capital projects for FY 10-11.



911 EMERGENCY SERVICES

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$408,215						
Charges for Service	\$936,420	\$237,043	\$705,321	75.32%	\$246,640	\$739,992	75.00%
Intergovernmental	1,174,150	291,421	825,076	70.27%	266,353	720,838	73.73%
Miscellaneous (1)	2,210	1,383	3,712	167.95%	848	3,412	45.37%
TOTAL CURRENT REVENUE	\$2,112,780	\$529,847	\$1,534,109	72.61%	\$513,840	\$1,464,242	74.26%

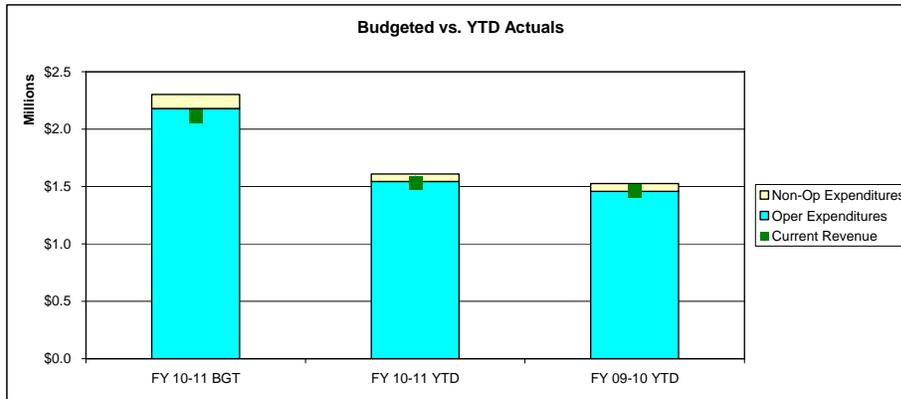
EXPENDITURE BY DEPARTMENT

Police (2)	\$2,180,630	\$512,877	\$1,544,621	70.83%	\$564,481	\$1,459,173	70.47%
TOTAL OPERATING EXPENDITURES	\$2,180,630	\$512,877	\$1,544,621	70.83%	\$564,481	\$1,459,173	70.47%
Transfers	\$77,940	\$0	\$64,600	82.88%	\$0	\$67,020	83.32%
Contingencies/Reserves	44,120	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$2,302,690	\$512,877	\$1,609,221	69.88%	\$564,481	\$1,526,193	69.70%

CURRENT REVENUE LESS

TOTAL EXPENDITURES	(\$189,910)	\$16,970	(\$75,112)		(\$50,640)	(\$61,951)	
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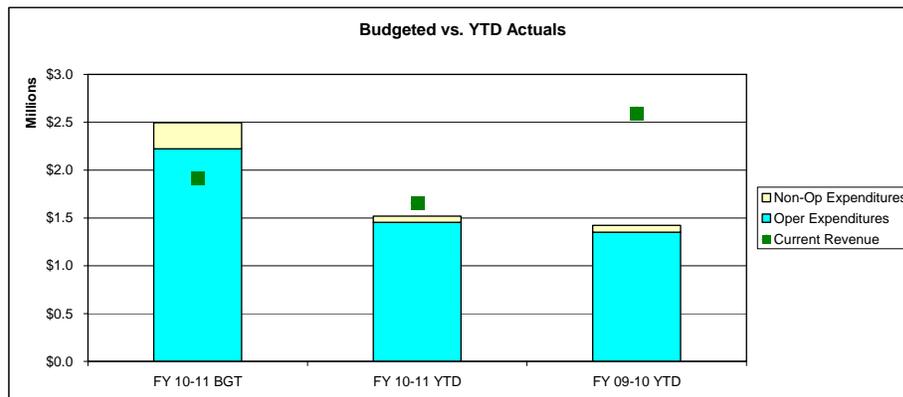
- (1) Miscellaneous revenue fluctuates year over year since it is comprised primarily of interest on investments and false alarm billing revenue to outside entities.
- (2) Spending is consistent with the prior year, with vacancy savings being the primary reason for under budget expenditures.



DEVELOPMENT SERVICES

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$630,589						
Licenses/Permits (1)	\$799,500	\$167,527	\$719,165	89.95%	\$461,787	\$976,843	142.20%
Charges for Service (2)	892,260	204,379	706,874	79.22%	371,570	1,393,008	198.12%
Miscellaneous (3)	7,010	2,248	9,390	133.96%	1,359	4,400	15.98%
Other Financing Sources (4)	218,390	0	218,390	100.00%	0	218,390	100.00%
TOTAL CURRENT REVENUE	\$1,917,160	\$374,154	\$1,653,819	86.26%	\$834,715	\$2,592,640	158.48%
EXPENDITURE BY DEPARTMENT							
Community Development (5)	\$2,221,550	\$492,540	\$1,452,905	65.40%	\$454,596	\$1,350,730	71.73%
TOTAL OPERATING EXPENDITURES	\$2,221,550	\$492,540	\$1,452,905	65.40%	\$454,596	\$1,350,730	71.73%
Transfers (6)	\$274,330	\$0	\$65,760	23.97%	\$0	\$72,260	55.99%
Contingencies/Reserves	0	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$2,495,880	\$492,540	\$1,518,665	60.85%	\$454,596	\$1,422,990	70.72%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$578,720)	(\$118,386)	\$135,154		\$380,119	\$1,169,651	

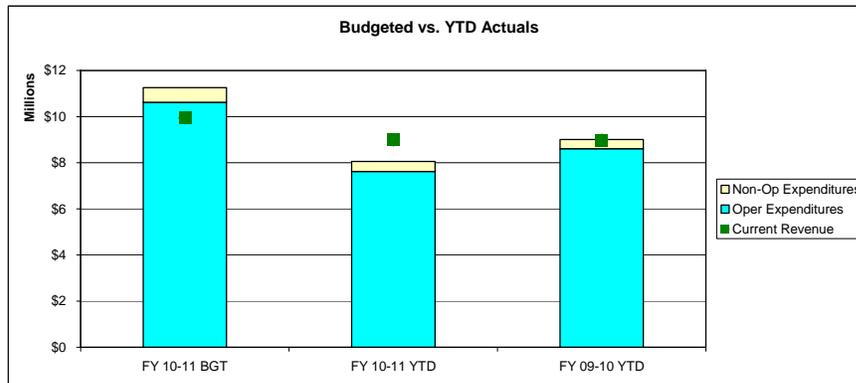
- (1) YTD revenue is higher than anticipated, though still lower than last year at this time, due to the volume of large commercial projects, including the issuance of permits in respect of a large multi-year project at OSU.
- (2) FY 10-11 revenue is largely on track with budgeted amounts. In FY 09-10, Development Services collected nearly twice as much revenue as expected, due primarily to commercial projects at OSU and Good Samaritan. Residential permit issuance continues to be low; Development Services has received 30 residential home permits YTD, up marginally from the 25 received last year by this time.
- (3) Interest revenue remains low compared to pre-FY 09-10 levels; however, YTD investment earnings have surpassed last year actuals by about \$5,000.
- (4) Dollars reflect transfers from: the General Fund to cover land use work done by the senior planner in the Development Services Fund; from Street SDC, Parks SDC, Water SDC, Wastewater SDC, and Storm water SDC Funds in support of SDC permitting administration work by Development Services; and Storm Water Fund support of Erosion & Sediment Control program by Development Services staff. Funding transfers of this nature are typically booked at the beginning of the fiscal year.
- (5) Expenditure actuals are below budget due to vacancy savings and the under-utilization of the extra-capacity plan review and inspection services (non-personal) provided year-to-date.
- (6) Transfers include this fund's portion of the semi-annual debt service payments for the Pension Obligation Bonds and transfers related to capital projects. Transfers for capital projects are made based on anticipated needs. Please see the Capital Improvement Program section for information on the status of capital projects.



FIRE AND RESCUE FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$1,305,626						
Property Taxes (1)	\$6,667,370	\$251,461	\$6,117,163	91.75%	\$377,028	\$6,187,336	90.30%
Licenses/Permits (2)	17,950	4,216	15,751	87.75%	4,288	14,114	79.65%
Charges for Service (3)	3,146,270	514,405	2,722,253	86.52%	525,637	2,593,926	80.86%
Intergovernmental (4)	32,800	8,714	8,714	26.57%	9,190	76,380	0.00%
Fines/Forfeitures (5)	15,340	5,073	15,403	100.41%	2,002	8,430	52.33%
Miscellaneous (6)	70,180	5,720	91,478	130.35%	6,723	102,058	132.42%
Other Financing Sources (7)	0	2,505	17,505	0.00%	0	1,272	0.00%
TOTAL CURRENT REVENUE	\$9,949,910	\$792,094	\$8,988,268	90.34%	\$924,868	\$8,983,516	88.33%
EXPENDITURE BY DEPARTMENT							
Fire (8)	\$10,626,930	\$2,482,827	\$7,620,523	71.71%	\$3,021,542	\$8,605,203	74.67%
TOTAL OPERATING EXPENDITURES	\$10,626,930	\$2,482,827	\$7,620,523	71.71%	\$3,021,542	\$8,605,203	74.67%
Transfers (9)	\$521,750	\$0	\$432,460	82.89%	\$0	\$400,700	29.10%
Contingencies/Reserves	101,230	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$11,249,910	\$2,482,827	\$8,052,983	71.58%	\$3,021,542	\$9,005,903	68.63%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$1,300,000)	(\$1,690,733)	\$935,285		(\$2,096,673)	(\$22,388)	

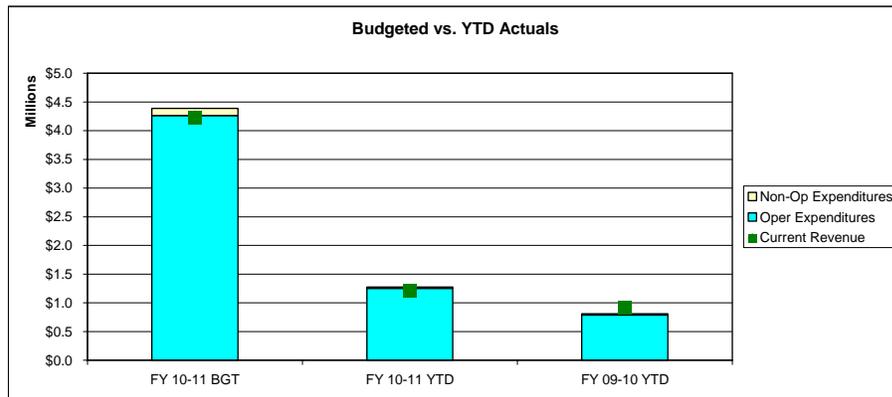
- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years.
- (2) Licenses, Fees & Permits are above target and prior year due to increased uniform fire code permits related to an increase in building construction this fiscal year compared to last year.
- (3) Charges for services include parking meter monies; Corvallis Rural Fire Protection District (CRFPD) contract payments, HazMat incident reimbursement; plan review fees; FireMed memberships, ambulance service charges, and copies of incident and Pre-hospital care reports. The variance is partly attributable to more conservative revenue estimates made for FY 10-11, particularly for ambulance revenues, than are being achieved YTD.
- (4) Only partial revenue for a FEMA grant has been received in the Intergovernmental category year-to-date. Last year's receipts at this time consisted of conflagration reimbursements which are not predictable in occurrence or timing.
- (5) Fines & Forfeitures are above target and prior year due to an increase in the number of civil penalties issued and paid so far in FY 10-11.
- (6) A \$78,750 grant was received and recorded in the second quarter of FY 09-10 from PacifiCorp for solar panels at Station 4. However, the funds were accrued forward at year end to FY 10-11 since the related work was not completed, and so are included in both years above as of the third quarter based on the timing.
- (7) The unbudgeted receipts in this line item relate to sales of capital assets, such as a used fire engine in FY 10-11.
- (8) The Fire Department expenditures YTD are nearly \$1 million lower than last fiscal year due to the special project purchase in FY 09-10 of a replacement ladder truck. FY 10-11 is also lower as a percentage of budget due to the number of vacancies being maintained by the department for cost savings.
- (9) Transfers include this fund's portion of the semi-annual debt service payment for the Pension Obligation Bonds (POB) and transfers related to capital projects. Please see the Capital Improvement Program section for information on the status of capital projects.



COMMUNITY DEVELOPMENT REVOLVING FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$877,831						
Licenses/Permits (1)	\$118,000	(\$90)	\$116,440	98.68%	(\$110)	\$116,630	105.38%
Charges for Service (2)	5,000	0	5,000	100.00%	0	5,000	100.00%
Intergovernmental (3)	3,626,190	527,090	964,027	26.59%	0	415,065	14.13%
Fines/Forfeitures (4)	2,500	3,040	3,019	120.77%	5,536	5,223	217.64%
Miscellaneous (5)	477,430	31,066	122,865	25.73%	40,771	376,969	69.67%
TOTAL CURRENT REVENUE	\$4,229,120	\$561,105	\$1,211,351	28.64%	\$46,197	\$918,887	25.55%
EXPENDITURE BY DEPARTMENT							
Community Development (6)	\$4,262,670	\$596,436	\$1,252,965	29.39%	\$187,923	\$788,320	20.87%
TOTAL OPERATING EXPENDITURES	\$4,262,670	\$596,436	\$1,252,965	29.39%	\$187,923	\$788,320	20.87%
Transfers (7)	\$89,420	\$0	\$22,820	25.52%	\$0	\$22,490	47.90%
Contingencies/Reserves	35,720	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,387,810	\$596,436	\$1,275,785	29.08%	\$187,923	\$810,810	21.04%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$158,690)	(\$35,331)	(\$64,434)		(\$141,727)	\$108,077	

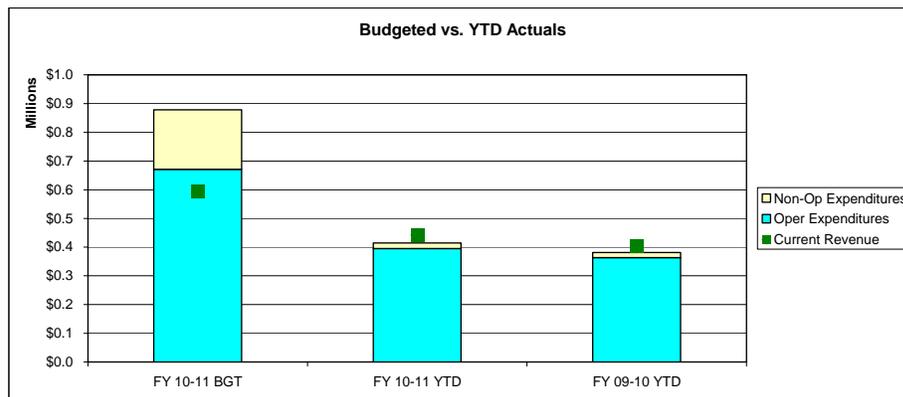
- (1) Invoices are issued annually for the rental housing program in September, so all of this revenue is recorded at the end of the first quarter when the bills are run. Negative activity in subsequent quarters typically reflects the write-offs associated with non-collection of some of these bills.
- (2) Revenue recognized in the first quarter from the annual Oakcrest lease payment of \$5,000 has been fully collected.
- (3) CDBG and HOME program grant revenues are based on reimbursements so are received only after expenditures are incurred. Timing of spending and receipts is sporadic and relatively unpredictable, so results above are typical. While developing next years budget the Housing division has identified just over \$2.4 million of these grant dollars are being carried over to FY 11-12.
- (4) This line includes Rental Housing Program penalties applied to delinquent accounts, however, is netted against negative activity for penalties waived and/or accounts written off and sent to collections.
- (5) This line includes nine loan payoffs through the third quarter, plus regular principal and interest payments. Last year, a \$224,000 payment was received from Willamette Neighborhood Housing Services (WNHS) in September following completion of the Leonard-Knolls project.
- (6) Expenditures are primarily grant-related in this fund, and thus variable in timing. The current quarter includes a \$425,000 payment for the Alexander Seavey Affordable Rental Housing Project.
- (7) Transfers include this fund's portion of the semi-annual debt service payments for the Pension Obligation Bonds and transfers related to capital projects. Transfers for capital projects are made based on anticipated needs. Please see the Capital Improvement Program section for information on the status of capital projects.



PARKING FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$753,747						
Licenses/Permits	\$20,000	\$3,132	\$15,184	75.92%	\$3,185	\$13,688	76.04%
Charges for Service	164,450	39,755	127,631	77.61%	38,509	123,599	70.29%
Fines/Forfeitures (1)	404,930	95,755	295,296	72.93%	95,471	260,548	64.97%
Miscellaneous (2)	3,200	1,188	4,412	137.89%	1,196	4,593	33.02%
TOTAL CURRENT REVENUE	\$592,580	\$139,830	\$442,524	74.68%	\$138,361	\$402,428	66.11%
EXPENDITURE BY DEPARTMENT							
Community Development	\$4,010	\$805	\$2,647	66.01%	\$945	\$2,879	73.81%
Finance (3)	132,180	29,150	84,897	64.23%	21,798	84,274	65.08%
Police (3)	344,320	66,755	206,600	60.00%	70,405	211,959	71.52%
Public Works (3,4)	190,590	40,765	101,114	53.05%	22,000	64,214	36.95%
TOTAL OPERATING EXPENDITURES	\$671,100	\$137,475	\$395,258	58.90%	\$115,149	\$363,325	60.20%
Transfers (5)	\$195,230	\$0	\$19,250	9.86%	\$0	\$17,480	7.80%
Contingencies/Reserves	12,030	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$878,360	\$137,475	\$414,508	47.19%	\$115,149	\$380,805	45.33%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$285,780)	\$2,356	\$28,016		\$23,211	\$21,623	

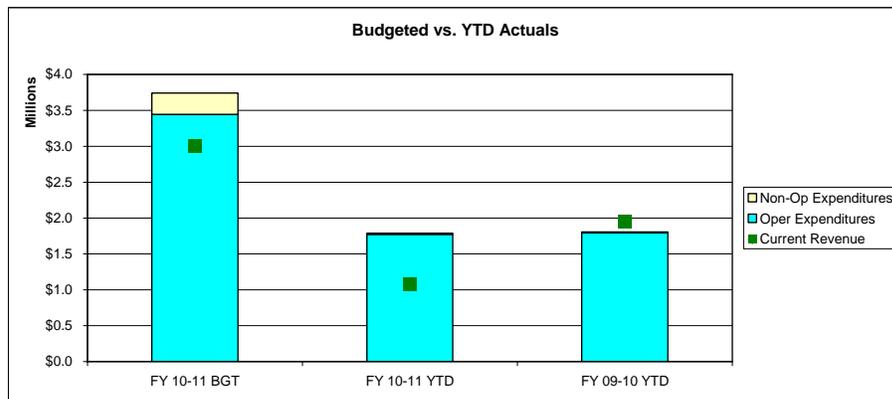
- (1) Revenue from fines and forfeitures represents revenue collected for offenses and infractions. Revenues are slightly under expectations due to the parking enforcement team not being fully staffed. Revenues, however, are higher than this time last year in part due to the improvement in collecting delinquent amounts.
- (2) The budget for miscellaneous revenue consists primarily of investment interest earnings, which was significantly reduced for FY 10-11 based primarily on deteriorating interest rates. As a result, actual interest earnings are a higher percentage of budget.
- (3) Finance, Police and Public Works expenditures are below budget due primarily to turnover and vacancy savings in FY 10-11.
- (4) Expenditures also include unbudgeted costs associated with a new residential parking district; however, a transfer was made in the second quarter from capital projects to Public Works to defray the costs. Spending is considerably lower than target because \$25,090 in special project funding for pay station improvements will carry over to FY 11-12.
- (5) Transfers include this fund's portion of the semi-annual debt service payments for the Pension Obligation Bonds and transfers related to capital projects. Transfers for capital projects are made based on anticipated needs. Please see the Capital Improvement Program section for information on the status of capital projects.



TRANSIT FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$593,635						
Property Taxes (1)	\$75,000	\$2,853	\$69,412	92.55%	\$24,820	\$407,311	90.30%
Licenses, Fees, & Permits (2)	\$0	\$170,911	\$170,911	0.00%	\$0	\$0	0.00%
Charges for Service (3)	502,410	55,692	271,149	53.97%	125,384	354,836	80.27%
Intergovernmental (4)	1,618,340	410,845	595,868	36.82%	321,224	504,384	21.57%
Miscellaneous (5)	811,680	59,408	136,907	16.87%	66,745	686,446	94.00%
TOTAL CURRENT REVENUE	\$3,007,430	\$699,710	\$1,244,247	41.37%	\$538,172	\$1,952,976	44.34%
EXPENDITURE BY DEPARTMENT							
Public Works (6)	\$3,442,830	\$607,244	\$1,773,929	51.53%	\$599,082	\$1,793,466	44.96%
TOTAL OPERATING EXPENDITURES	\$3,442,830	\$607,244	\$1,773,929	51.53%	\$599,082	\$1,793,466	44.96%
Transfers (7)	\$268,920	\$0	\$15,310	5.69%	\$0	\$12,060	44.65%
Contingencies/Reserves	29,940	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,741,690	\$607,244	\$1,789,239	47.82%	\$599,082	\$1,805,526	44.09%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$734,260)	\$92,465	(\$544,992)		(\$60,910)	\$147,451	

- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years; however the allocation of property tax was significantly reduced for the Transit Fund in FY 10-11 in support of the remaining property tax funds combined.
- (2) In February 2011, Sustainability Initiative Fees (SIF) were implemented to help provide fareless transit to citizens.
- (3) With the advent of SIF for fareless transit, charge for service revenue generated from ridership and group pass programs were reduced. Charge for service revenue will continue being collected from Benton County and the City of Philomath respectively for special transportation funding and Philomath operations.
- (4) Grant receipts are at similar levels to the prior year, and tend to be lower than budget as they are reimbursement-based. A federal grant totaling about \$651,200 was awarded for bus purchases that will not be made until FY 10-11, so the related grant funding has been carried forward to FY 11-12.
- (5) The main source of revenue in this category is a \$630,000 Business Energy Tax Credit (BETC) pertaining to FY08-09 operations, which is no longer expected to be received in FY 10-11, so has been carried over to FY 11-12. Last year a BETC payment was received in the first quarter of FY 09-10, but was related to FY 07-08 operations based on the prior year's application. Finding a tax liability partner in this economy is currently a challenge for the timely receipt of this funding; however, the department continues to seek out potential partners.
- (6) Both years are under-expended due primarily to the timing of vehicle purchases. Two buses which were budgeted for the current fiscal year have not yet been purchased and, as noted above, will be carried over to FY 11-12.
- (7) Transfers include this fund's portion of the semi-annual debt service payments for the Pension Obligation Bonds and transfers related to capital projects. Please see the Capital Improvement Program section for information on the status of capital projects.

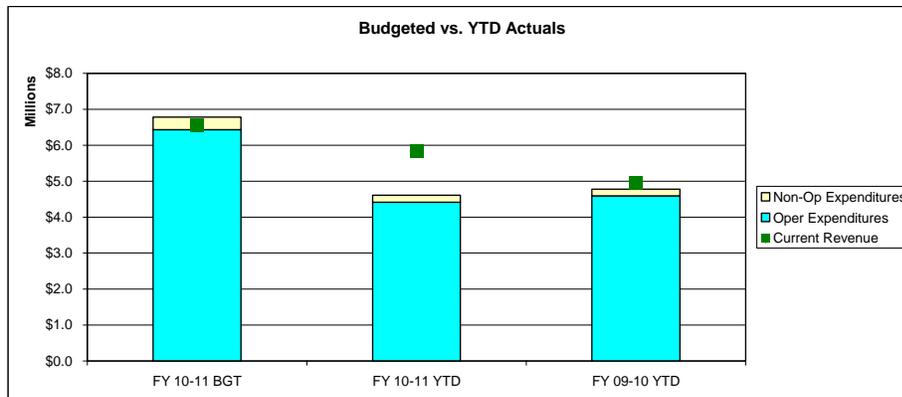


LIBRARY FUND*

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$117,745						
Property Taxes (1)	\$3,838,270	\$144,716	\$3,520,439	91.72%	\$166,060	\$2,725,189	90.30%
Charges for Service (2)	45,400	9,993	32,497	71.58%	7,162	33,096	72.58%
Intergovernmental	2,510,620	84,149	2,156,124	85.88%	154,191	2,065,592	86.50%
Fines/Forfeitures (3)	75,500	24,036	69,665	92.27%	19,223	55,961	68.66%
Miscellaneous (4)	86,330	12,612	63,444	73.49%	22,059	62,291	53.06%
Other Financing Sources (5)	60,000	0	0	0.00%	0	0	0.00%
TOTAL CURRENT REVENUE	\$6,556,120	\$275,506	\$5,842,170	89.11%	\$368,694	\$4,942,129	87.46%
EXPENDITURE BY DEPARTMENT							
Library (6)	\$6,434,110	\$1,456,107	\$4,417,068	68.65%	\$1,616,359	\$4,593,797	70.96%
TOTAL OPERATING EXPENDITURES	\$6,434,110	\$1,456,107	\$4,417,068	68.65%	\$1,616,359	\$4,593,797	70.96%
Transfers (7)	\$295,850	\$0	\$195,500	66.08%	\$0	\$187,090	83.32%
Contingencies/Reserves	55,480	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$6,785,440	\$1,456,107	\$4,612,568	67.98%	\$1,616,359	\$4,780,887	71.15%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$229,320)	(\$1,180,602)	\$1,229,602		(\$1,247,665)	\$161,242	

* Includes the Library Operating and Library 2010 Funds.

- (1) The majority of current year property taxes are collected in the second quarter. This year's collection pattern is consistent with prior years.
- (2) Revenue is less than expected year-to-date due to lower parking meter collections.
- (3) Fines & Forfeitures are up from budget and previous year due to doubling of fines on overdue materials.
- (4) E-Rate discounts and a reimbursement for the LSTA Opening Day E-Book collection grant account for the increase in this revenue area this past quarter to be more on target with budget in FY 10-11.
- (5) Proceeds from the sale of the Bookmobile are budgeted for FY 10-11 but not yet realized.
- (6) Expenditures are down year-to-date driven primarily by a slow down of materials and supplies purchasing to enable meeting revised budgets.
- (7) Transfers include this fund's portion of the semi-annual debt service payment for the Pension Obligation Bonds and transfers related to capital projects. Please see the Capital Improvement Program section for information on the status of capital projects.



DAVIDSON FUND

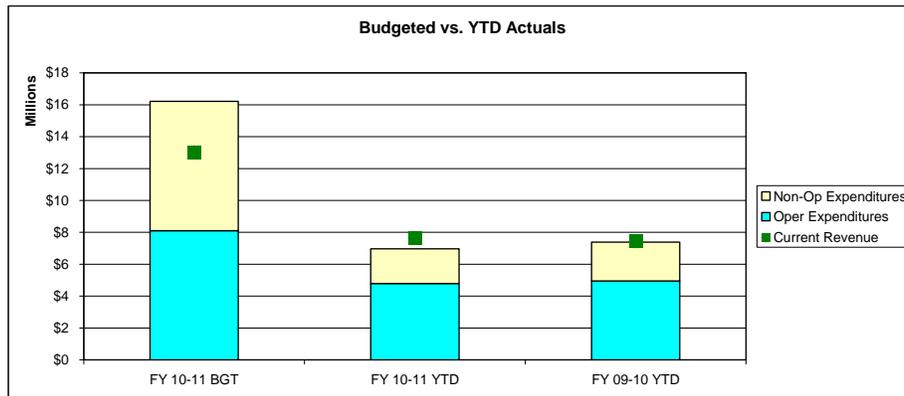
REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$5,963						
Miscellaneous	\$0	\$8	\$29	0.00%	\$8	\$33	23.81%
TOTAL CURRENT REVENUE	\$0	\$8	\$29	0.00%	\$8	\$33	23.81%
EXPENDITURE BY DEPARTMENT							
Library	\$500	\$21	\$147	29.33%	\$38	\$428	85.51%
TOTAL OPERATING EXPENDITURES	\$500	\$21	\$147	29.33%	\$38	\$428	85.51%
Transfers	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$500	\$21	\$147	29.33%	\$38	\$428	85.51%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$500)	(\$13)	(\$117)		(\$30)	(\$394)	

COMBINED WATER FUND*

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$1,309,080						
Charges for Service	\$8,805,430	\$1,880,175	\$6,394,914	72.62%	\$1,717,261	\$6,309,923	71.22%
Intergovernmental (1)	108,670	0	(4,015)	-3.69%	0	(14,485)	-14.45%
Fines/Forfeitures (2)	0	0	3,068	0.00%	30	988	0.00%
Miscellaneous (3)	449,740	9,724	374,124	83.19%	67,518	176,864	31.85%
Transfers In/Other Financing Sources (4)	3,674,420	0	857,350	23.33%	20,000	960,548	51.96%
TOTAL CURRENT REVENUE	\$13,038,260	\$1,889,899	\$7,625,442	58.49%	\$1,804,809	\$7,433,838	65.42%
EXPENDITURE BY DEPARTMENT							
Community Development	\$50,740	\$11,875	\$36,041	71.03%	\$11,731	\$33,840	68.25%
Public Works (5)	8,054,750	1,583,374	4,761,560	59.11%	1,723,999	4,920,147	67.19%
TOTAL OPERATING EXPENDITURES	\$8,105,490	\$1,595,248	\$4,797,601	59.19%	\$1,735,730	\$4,953,987	67.19%
Capital Projects (4)	\$2,951,950	\$44,012	\$140,656	4.76%	\$52,961	\$288,063	21.53%
Debt Service	1,009,240	0	1,009,218	100.00%	0	1,018,483	100.00%
Transfers Out/Other Financing Uses (4)	3,972,240	0	1,016,670	25.59%	20,000	1,120,050	54.04%
Contingencies/Reserves	178,150	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$16,217,070	\$1,639,260	\$6,964,145	42.94%	\$1,808,691	\$7,380,583	61.61%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$3,178,810)	\$250,639	\$661,297		(\$3,882)	\$53,255	

*Includes Water, Water Timber, Water SDC and Water Construction Funds.

- (1) The budget in this line item represents primarily a carryover of an Oregon DHS Water Program grant received in the prior fiscal year. Once the project is completed, expenses are reimbursed. The negative actuals represent prior year accrual entries that will be offset in later quarters by grant receipts.
- (2) The \$3,000 in unbudgeted revenue received YTD relates to a restitution payment for water utility property damage.
- (3) FY 10-11 year-to-date includes receipt of a large first quarter payment of \$326,380 in timber sales, representing the bulk of the budgeted amount.
- (4) Other Financing Sources, Capital Projects and Transfers activity are mostly related to capital projects activity. Transfers for capital projects are made based on anticipated needs. Transfers have been made for debt service payments for the POB. See the Capital Improvement Program section for details regarding capital project expenditures.
- (5) Special projects YTD spending is only at 9.44% on a total budget of \$1,130,830. About \$400,000 of the unspent dollars is being carried over to FY 11-12 for various projects which cannot be completed in FY 10-11 due to delays for unforeseen complications with removal of an asbestos-laden building and the lead-time needed for specialized equipment on a replacement vehicle.

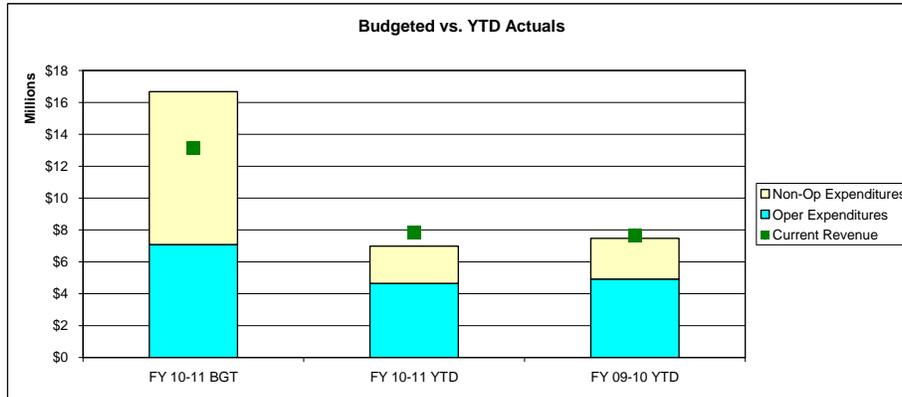


COMBINED WASTEWATER FUND*

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$3,180,660						
Charges for Service	\$9,551,530	\$2,565,764	\$7,178,423	75.15%	\$2,387,596	\$6,737,810	69.01%
Miscellaneous (1)	55,740	17,736	78,296	140.47%	23,347	82,992	39.19%
Other Financing Sources (2)	3,515,260	0	590,391	16.80%	0	855,924	20.16%
TOTAL CURRENT REVENUE	\$13,122,530	\$2,583,500	\$7,847,109	59.80%	\$2,410,943	\$7,676,726	53.98%
EXPENDITURE BY DEPARTMENT							
Community Development	\$49,540	\$11,990	\$35,349	71.36%	\$11,252	\$33,181	68.53%
Public Works (3)	7,034,410	1,552,129	4,619,068	65.66%	1,491,455	4,884,355	69.42%
TOTAL OPERATING EXPENDITURES	\$7,083,950	\$1,564,119	\$4,654,417	65.70%	\$1,502,708	\$4,917,537	69.41%
Capital Projects (2)	\$3,417,040	\$110,173	\$590,131	17.27%	\$71,202	\$533,016	13.83%
Debt Service	2,233,850	0	997,697	44.66%	0	1,012,922	43.93%
Transfers (2)	3,753,250	0	746,420	19.89%	0	1,015,864	22.82%
Contingencies/Reserves	181,140	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$16,669,230	\$1,674,292	\$6,988,665	41.93%	\$1,573,910	\$7,479,339	41.81%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$3,546,700)	\$909,209	\$858,444		\$837,033	\$197,387	

* Includes Wastewater, Wastewater SDC and Wastewater Construction Funds.

- (1) The budget for miscellaneous revenue was cut to 25% of FY 09-10 levels in FY 10-11, based primarily on the continued decline of interest earnings due to ongoing low interest rates, so actual interest earnings are coming in at a higher percentage of budget. Though lower than prior year dollars, this decrease has mostly been offset by recovery on certain bad debts.
- (2) Other Financing Sources, Capital Projects and Transfers are mostly related to capital projects activity. Transfers related to capital projects are made based on anticipated needs. See the Capital Improvement Program section for detail regarding capital project expenditures.
- (3) Public Works is below budget and prior year spending at the end of the third quarter due primarily to vacancy savings from not yet hiring a replacement for the retired Environmental Analyst, as well as having spent only about 25% so far of the \$823,540 budgeted for twelve special projects and one vehicle replacement in FY 10-11. The low YTD % of special projects is primarily due to delays in three projects: technology incorporation in the digester, timing of a partnered WWRP project, and the determination that another year of useful life is available in a vehicle scheduled to be replaced. These projects are now expected to take place in FY 11-12.

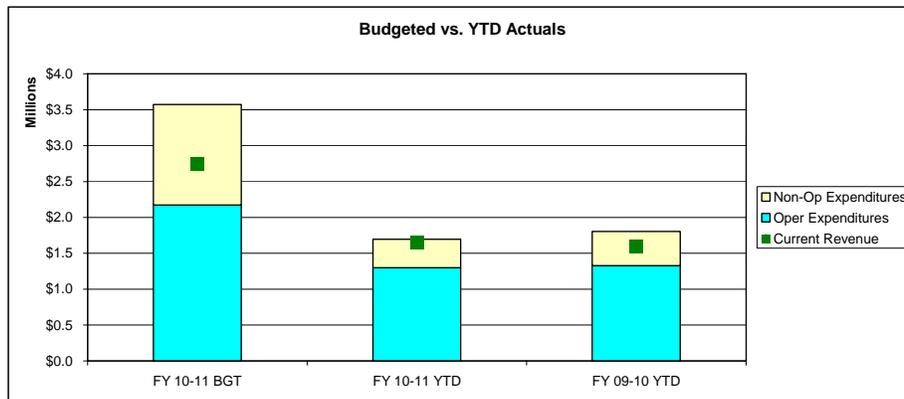


COMBINED STORM WATER FUND*

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$1,297,155						
Charges for Service	\$2,113,970	\$505,288	\$1,483,705	70.19%	\$490,945	\$1,365,629	71.33%
Miscellaneous (1)	9,280	2,590	11,113	119.75%	3,326	11,454	25.57%
Other Financing Sources (2)	602,200	0	152,200	25.27%	65,100	215,100	28.87%
TOTAL CURRENT REVENUE	\$2,740,187	\$507,877	\$1,647,018	60.11%	\$559,372	\$1,592,183	81.27%
EXPENDITURE BY DEPARTMENT							
Community Development	\$50,480	\$11,915	\$35,557	70.44%	\$11,381	\$33,809	67.86%
Public Works (3)	2,123,757	409,868	1,262,551	59.45%	381,852	1,294,275	57.56%
TOTAL OPERATING EXPENDITURES	\$2,174,237	\$421,784	\$1,298,108	59.70%	\$393,233	\$1,328,084	57.79%
Capital Projects (2)	\$602,200	\$21,972	\$133,942	22.24%	\$7,785	\$146,115	19.61%
Transfers (2)	756,660	0	263,420	34.81%	65,100	330,240	40.01%
Contingencies/Reserves	41,860	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$3,574,957	\$443,756	\$1,695,470	47.43%	\$466,118	\$1,804,439	46.19%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$834,770)	\$64,121	(\$48,452)		\$93,254	(\$212,256)	

* Includes Storm Water, Storm Water SDC and Storm Water Construction Funds.

- (1) The budget for miscellaneous revenue was cut to 25% of FY 09-10 levels in FY 10-11, based primarily on the continued decline of interest earnings due to ongoing low interest rates, so actual interest earnings are a higher percentage of budget. Though lower than prior year actuals, this decrease has been mostly offset by recovery on certain bad debts.
- (2) Other Financing Sources relate primarily to Capital Projects related to storm drain replacement. Transfers related to capital projects are made based on anticipated needs. See the Capital Improvement Program section for details regarding capital project expenditures. Transfers also include this fund's portion of the semi-annual debt service payment for the Pension Obligation Bonds and the CD-managed erosion sediment control program.
- (3) Actuals are under budget in both fiscal years due to lower than anticipated special project spending year-to-date. Current YTD spending on special projects is at 12.64% of a \$300,560 budget due to delays in synchronizing two related projects, as well as the reduced scope of work on another project.

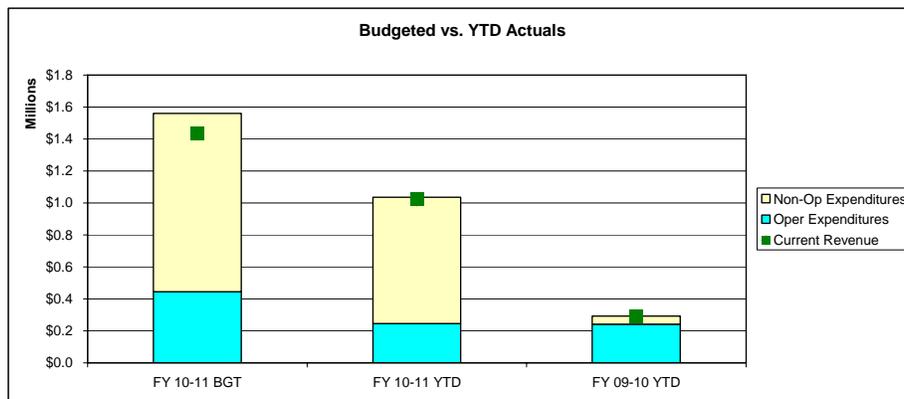


COMBINED AIRPORT FUND*

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$836,862						
Licenses/Permits	\$5,000	\$627	\$3,734	74.69%	\$616	\$3,710	82.45%
Charges for Service	365,000	83,169	283,422	77.65%	82,385	278,120	73.60%
Intergovernmental (1)	817,150	600,892	581,931	71.21%	0	(8,500)	-3.31%
Miscellaneous (2)	9,630	5,159	9,695	100.67%	4,983	8,928	49.52%
Other Financing Sources (3)	238,050	0	144,700	60.79%	8,200	8,200	1.88%
TOTAL CURRENT REVENUE	\$1,434,830	\$689,848	\$1,023,483	71.33%	\$96,184	\$290,459	26.58%
EXPENDITURE BY DEPARTMENT							
Public Works (4)	\$445,350	\$105,568	\$244,991	55.01%	\$92,635	\$241,824	25.89%
TOTAL OPERATING EXPENDITURES	\$445,350	\$105,568	\$244,991	55.01%	\$92,635	\$241,824	25.89%
Capital Projects (3)	\$965,200	\$199,272	\$701,078	72.64%	\$9,105	\$14,761	12.06%
Debt Service (5)	42,170	0	33,663	79.83%	0	29,474	99.98%
Transfers (3)	98,030	0	55,780	56.90%	0	5,940	9.17%
Contingencies/Reserves	9,390	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$1,560,140	\$304,840	\$1,035,512	66.37%	\$101,740	\$292,000	25.21%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$125,310)	\$385,008	(\$12,029)		(\$5,557)	(\$1,541)	

* Includes Airport and Airport Construction Funds.

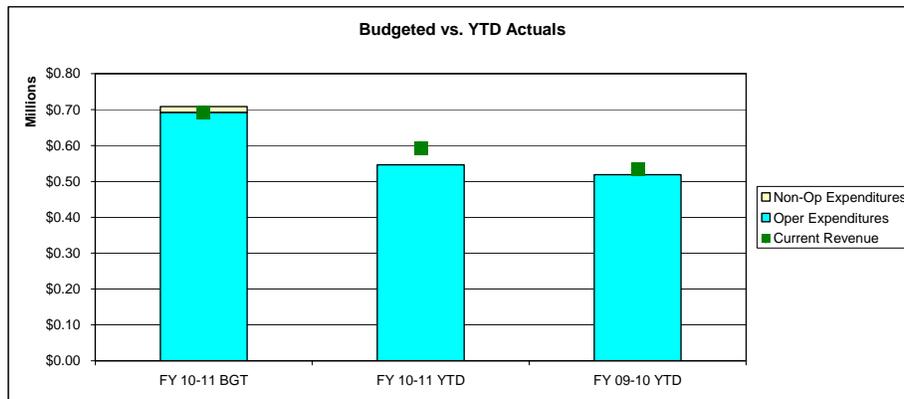
- (1) The Intergovernmental FY 10-11 budget anticipates receipt of two Federal grants: one is a carryover from FY 09-10 for the Airport Industrial Park and the other funds Airport facility improvements. The lower YTD amount received in the third quarter and the negative YTD amount in FY 09-10 represent grants where receipts are anticipated in the current fiscal year for work that was done in the previous year and so the revenue is recognized in the fourth quarter of the previous year via an accrual that leaves the current year temporarily negative and/or reduced.
- (2) Miscellaneous revenue in FY 10-11 includes an unbudgeted gift/donation from the Oregon Pilot's Association towards an Airport restroom remodel.
- (3) Other Financing Sources relate primarily to Capital Projects related to an airport industrial park improvements project and airport facility improvements project. Transfers include this fund's portion of the semi-annual debt service payments for the Pension Obligation Bonds and for capital projects. Transfers for capital projects are made as needed. See the Capital Improvement Program section for detail regarding other capital project expenditures.
- (4) FY 10-11 includes three special projects and a reserve equipment purchase that have been budgeted at \$132,500, but of which only 28.20% has been expended. In FY 09-10, Public Works had spent only \$30,000 of a special project budget totaling nearly \$630,000, therefore total spending was a smaller proportion of budget. Operational spending is roughly on track this fiscal year-to-date, with some savings in services.
- (5) An OECD Loan that was to begin drawdown in FY 10-11 is operationally no longer needed; thus interest payments scheduled to begin in the current fiscal year are no longer needed.



FLEET MAINTENANCE FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$31,674						
Charges for Service (1)	\$691,630	\$202,033	\$591,523	85.53%	\$185,272	\$531,499	71.86%
Miscellaneous	1,200	644	1,649	137.45%	359	1,838	216.29%
TOTAL CURRENT REVENUE	\$692,830	\$202,677	\$593,172	85.62%	\$185,631	\$533,338	72.02%
EXPENDITURE BY DEPARTMENT							
Public Works (2)	\$692,270	\$182,720	\$546,382	78.93%	\$174,967	\$518,995	70.00%
TOTAL OPERATING EXPENDITURES	\$692,270	\$182,720	\$546,382	78.93%	\$174,967	\$518,995	70.00%
Contingencies/Reserves	\$16,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$708,270	\$182,720	\$546,382	77.14%	\$174,967	\$518,995	68.52%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$15,440)	\$19,958	\$46,790		\$10,664	\$14,343	

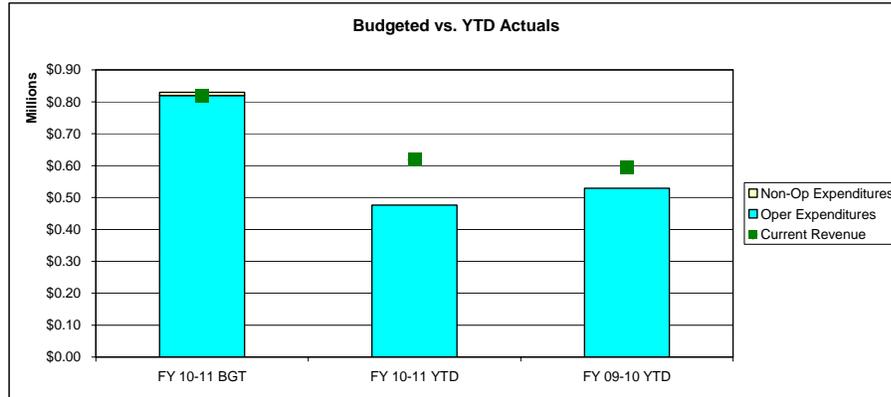
- (1) Charge for service revenue is above projected budget levels in FY 10-11 due to higher than anticipated receipts for maintenance and repair of City vehicles, as well as internal and external fuel sales which is charged based on consumption fuel prices.
- (2) Maintenance expenditures and fuel costs are running high resulting in the higher revenues noted above, but use of additional appropriations has been somewhat offset by personal service savings from vacancies. Fuel prices through the first three quarters of FY 10-11 are 20% higher than FY 09-10 for the same period. A supplemental budget is anticipated to be sought from Council in the fourth quarter, based on the increased revenues available.



FACILITY MAINTENANCE FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$27,303						
Charges for Service	\$816,200	\$205,251	\$616,663	75.55%	\$197,046	\$591,822	74.69%
Miscellaneous (1)	3,070	447	1,523	49.62%	884	3,498	90.16%
TOTAL CURRENT REVENUE	\$819,270	\$205,698	\$618,186	75.46%	\$197,930	\$595,320	74.77%
EXPENDITURE BY DEPARTMENT							
Public Works (2)	\$819,660	\$176,637	\$476,312	58.11%	\$186,166	\$529,322	66.26%
TOTAL OPERATING EXPENDITURES	\$819,660	\$176,637	\$476,312	58.11%	\$186,166	\$529,322	66.26%
Contingencies/Reserves	\$10,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$829,660	\$176,637	\$476,312	57.41%	\$186,166	\$529,322	65.44%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$10,390)	\$29,061	\$141,874		\$11,764	\$65,998	

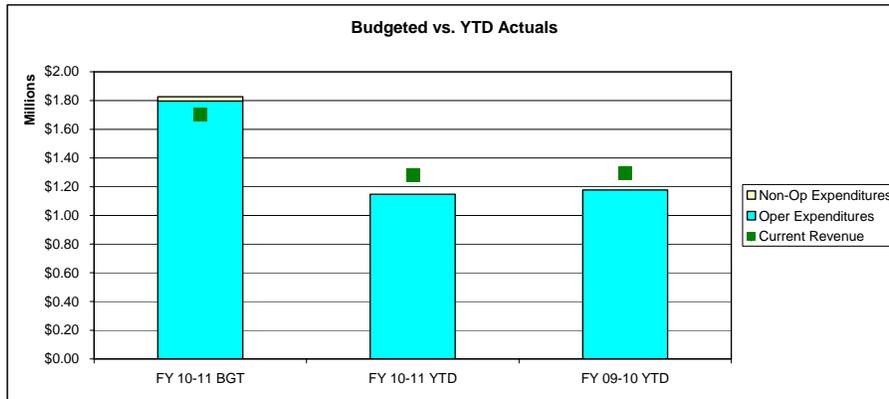
- (1) Interest revenues year-to-date in FY 10-11 are below budget and prior year due to interest rate decline in the continuing poor economy in combination with being earned on a lower fund balance. Miscellaneous revenue was higher year-to-date in FY 09-10 versus budget due to credits from unexpected returns of facility repair-related materials purchases, scrap metal sales, an Energy Trust incentive, and BETC monies.
- (2) Expenditures are low year-to-date due to a vacancy of a Buildings & Grounds Technician position experienced in the first two quarters of the fiscal year. The position was filled in late December. Only 13.68% of the total special projects budget of \$66,500 has been spent YTD, but is anticipated to be fully expended by year-end.



TECHNOLOGY AND COMMUNICATIONS FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$91,108						
Charges for Service	\$1,699,180	\$424,794	\$1,274,495	75.01%	\$431,336	\$1,293,738	74.77%
Miscellaneous (1)	3,040	1,438	4,118	135.47%	957	3,547	25.63%
TOTAL CURRENT REVENUE	\$1,702,220	\$426,232	\$1,278,614	75.11%	\$432,293	\$1,297,285	74.38%
EXPENDITURE BY DEPARTMENT							
Finance (2)	\$1,577,000	\$329,634	\$1,029,850	65.30%	\$305,869	\$1,029,163	69.31%
Public Works (3)	219,070	40,937	116,873	53.35%	49,882	148,291	58.98%
TOTAL OPERATING EXPENDITURES	\$1,796,070	\$370,570	\$1,146,723	63.85%	\$355,750	\$1,177,453	67.82%
Contingencies/Reserves	\$30,000	\$0	\$0	0.00%	\$0	\$0	0.00%
TOTAL ALL EXPENDITURES	\$1,826,070	\$370,570	\$1,146,723	62.80%	\$355,750	\$1,177,453	66.66%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$123,850)	\$55,662	\$131,891		\$76,542	\$119,832	

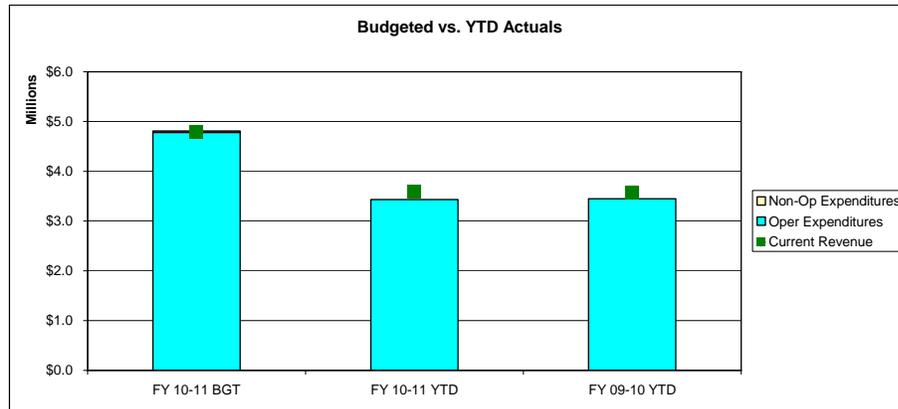
- (1) Despite continued low interest rates, investment interest revenues year-to-date in FY 10-11 are above budget and prior year in this fund due to proportionately higher cash balances than originally projected, based on lower spending YTD than anticipated.
- (2) Expenditures are under target year-to-date primarily due to MIS budget of \$47,500 in special projects that has been carried over to FY 11-12 and due to reduced spending in materials & supplies.
- (3) Year-to-date spending is low as a percentage of budget in both years, driven by City-requested work orders that vary year to year. Total spending year-to-date in FY 10-11 is also lower due to the Public Works budget for this fund having been reduced by about \$64,000 from the elimination of the radio system support program. Additionally, a \$20,600 vehicle replacement scheduled for FY 10-11 has been carried over to FY 11-12.



ADMINISTRATIVE SERVICES FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$35,246						
Charges for Service	\$4,785,490	\$1,196,373	\$3,589,119	75.00%	\$1,183,614	\$3,550,842	75.00%
Miscellaneous	8,000	1,671	5,113	63.91%	1,985	6,194	41.05%
TOTAL CURRENT REVENUE	\$4,793,490	\$1,198,044	\$3,594,232	74.98%	\$1,185,599	\$3,565,414	75.07%
EXPENDITURE BY DEPARTMENT							
Finance	\$2,667,300	\$652,930	\$1,930,006	72.36%	\$656,312	\$1,976,762	75.59%
City Manager's Office	2,114,260	497,100	1,500,117	70.95%	478,720	1,469,945	69.10%
TOTAL OPERATING EXPENDITURES	\$4,781,560	\$1,150,030	\$3,430,123	71.74%	\$1,135,032	\$3,446,707	72.68%
Contingencies/Reserves	30,000	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$4,811,560	\$1,150,030	\$3,430,123	71.29%	\$1,135,032	\$3,446,707	72.22%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	(\$18,070)	\$48,014	\$164,109		\$50,568	\$118,707	

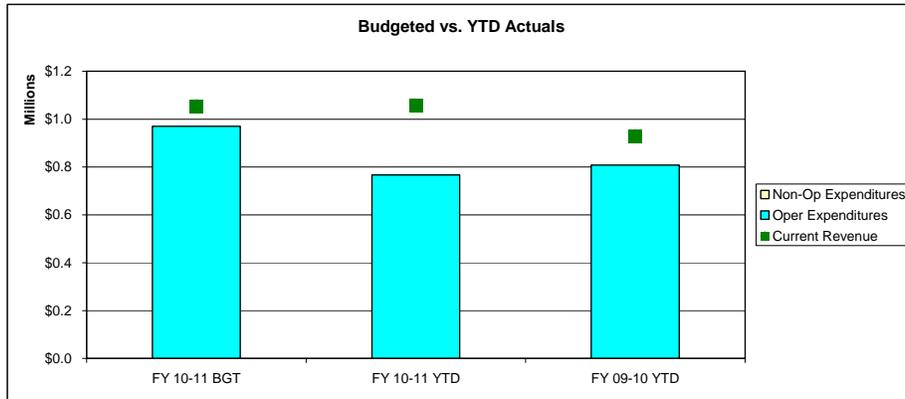
- (1) Interest revenues year-to-date in FY 10-11 are below budget and prior year due to interest rate decline in the continuing poor economy in combination with being earned on a lower fund balance.



RISK MANAGEMENT FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 10-11	UNAUDITED FY 10-11	FY 10-11 % REC/EXPEND	3rd Quarter FY 09-10	Y-T-D FY 09-10	FY 09-10 % REC/EXPEND
Budgeted Fund Balance	\$329,819						
Charges for Service (1)	\$1,014,210	\$253,552	\$1,014,210	100.00%	\$225,475	\$901,900	100.00%
Miscellaneous	40,620	17,294	44,186	108.78%	1,065	28,130	48.89%
TOTAL CURRENT REVENUE	\$1,054,830	\$270,846	\$1,058,396	100.34%	\$226,540	\$930,030	96.93%
EXPENDITURE BY DEPARTMENT							
City Manager's Office (1)	\$970,010	\$44,397	\$766,762	79.05%	\$73,454	\$807,565	82.03%
TOTAL OPERATING EXPENDITURES	\$970,010	\$44,397	\$766,762	79.05%	\$73,454	\$807,565	82.03%
Contingencies/Reserves	0	0	0	0.00%	0	0	0.00%
TOTAL ALL EXPENDITURES	\$970,010	\$44,397	\$766,762	79.05%	\$73,454	\$807,565	65.42%
CURRENT REVENUE LESS							
TOTAL EXPENDITURES	\$84,820	\$226,448	\$291,634		\$153,086	\$122,465	

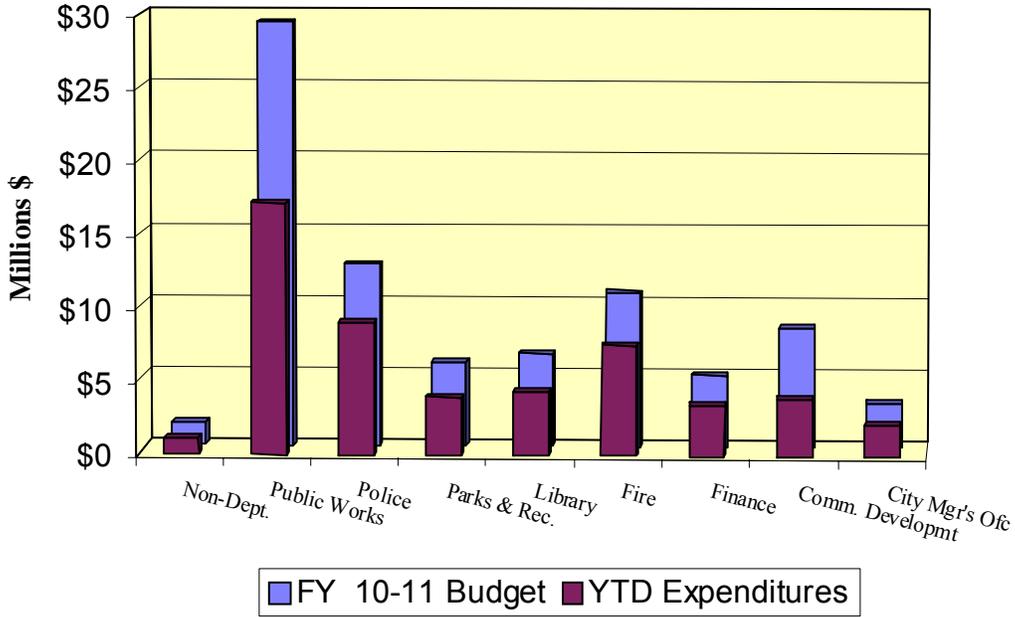
- (1) Timing of internal service charges to departments is weighted to coincide with insurance premium payments, 75% of which occur in July and 25% in January.
- (2) Despite continued low interest rates, the catastrophic reserve and lower spending YTD are resulting in higher cash balances in this fund proportionate to other funds which have led to a larger distribution of the City's investment interest earnings than budgeted. Additionally, FY 10-11 miscellaneous revenues are over budget due to much higher than expected loss recovery receipts from insurance claims – already double what was received last year.



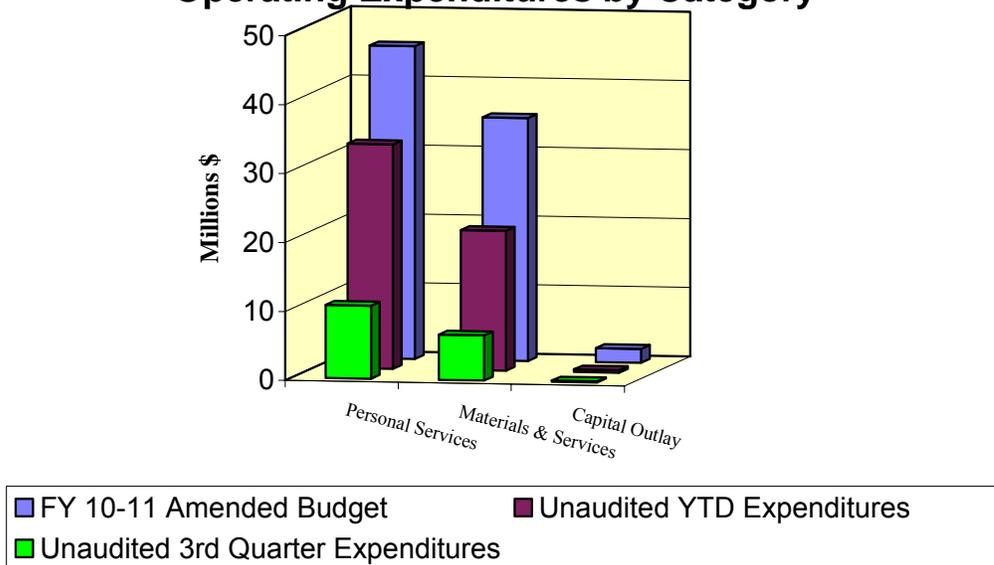
BUDGET PERFORMANCE BY DEPARTMENT

This section provides general information regarding departmental budgetary performance. Included in this section is an Expenditure Summary by classification for each department, which does not include Non-Operating or Capital Project Expenditures. The graphs below illustrate each department's operating performance as well as a "by category" view for all departments for the quarter and year-to-date (YTD).

Operating Expenditures by Dept



Operating Expenditures by Category



CITY MANAGER'S OFFICE

Type of Expenditure	2010-11 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$1,325,320	\$353,400	\$955,745	72.11%
Supplies and Services	1,758,950	188,097	1,311,134	74.54%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$3,084,270	\$541,498	\$2,266,879	73.50%

Fund Sources Combined: Administrative Services Fund and Risk Management Fund.

Noteworthy Accomplishments during this Quarter:

- Consistent with advice from the State's Elections Division, staff removed records pertaining to the local option property tax levy from the City's Web site. Paper copies of documents and electronic copies of videos were delivered to the Library Reference Section for public review.
- The Employer Partnership for Diversity conducted training on Difficult Conversations.
- Began labor negotiations for new contracts with both the American Federation of State, County and Municipal Employees (AFSCME) and the Corvallis Police Officers Association (CPOA).
- Initiated request for proposals (RFP) process to hire a city manager recruitment consultant; six proposals were received.

Upcoming/Pending Items:

- Onsite appraisal of City assets to ensure current valuations for insurance purposes which was anticipated to be done in the third quarter has been deferred to the fourth quarter.
- Review RFP's for city manager recruitment consultants and select vendor.
- Complete process to select a deferred compensation provider.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY09-10 ACTUAL	FY10-11 TARGET	3rd QTR ACTUAL	FY10-11 YTD
Cost Efficiency	Compare City FTE to assess efficient and effective customer service	City FTE per 1,000 population.	7.85	8.00	7.85	7.85
	Reduce average workers compensation claims per employee through promotion of a safe workplace.	# of workers compensation claims per 100 FTE	8.10	<9.00	3.00	9.08
	Maximize workplace productivity	Number of sick leave hours used per 1,000 hours worked. ⁽¹⁾	29.96	<24.50	38.70	31.72
Diversity	Provide a welcoming organization that promotes and respects diversity	% of total job applicants for regular positions who identify themselves as a minority. ⁽²⁾	9%	13%	14%	12%
	Increase the percentage of employees who believe they have a welcoming workplace	% of employees surveyed who indicate their workplace is very or somewhat welcoming.	New measure	≥ 95%	97%	97%
Sustainability	Reduce paper use	Reduce paper usage by 10% over the FY 2005-06 baseline of 524 reams as measured on a quarterly basis. ⁽³⁾	244	<210	113 reams	250 reams

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY09-10 ACTUAL	FY10-11 TARGET	3rd QTR ACTUAL	FY10-11 YTD
	Measure the benefits to compensation ratio for competitiveness, retention, attraction and comparator purposes.	Benefits as a % of total compensation. ⁽⁴⁾	32%	28%	34%	34%
Community Involvement	Maximize citizen satisfaction with the quality of City services.	% of Citizen Attitude Survey respondents giving good or excellent rating to the quality of overall City services.	90%	>90%	82%	82%
	Maximize citizen satisfaction with City communications and outreach.	% of Citizen Attitude Survey respondents who rated the quality of public information services as excellent or good.	77%	>77%	82%	82%
		% of Citizen Attitude Survey respondents who rated the job the City does at welcoming citizen involvement as excellent or good.	65%	>65%	67%	67%
		% of Citizen Attitude Survey respondents who rated the job the City does at listening to citizens as excellent or good. ⁽⁵⁾	55%	>55%	N/A	N/A

- (1) In the third quarter, 29% of sick hours used were classified as Family Medical Leave Act and 2% were classified as sick child leave.
- (2) Of the 319 applicants in the third quarter, 46 identified themselves as a minority. Fiscal year-to-date, 1,978 people have applied for City job openings, with 236 identifying themselves as a minority.
- (3) Paper use was unusually high in the third quarter due to copying public record materials related to the 2011 City Services Levy.
- (4) The actual is higher than target due to the inclusion of PERS bond debt service costs and educational reimbursements. These items have not historically been included as benefits in the calculation, but have been added at the request of the Assistant City Manager since these do represent bonafide components of total compensation. The target will be adjusted in the future.
- (5) Space constraints in the 2010 survey did not permit inclusion of this question.

COMMUNITY DEVELOPMENT

Type of Expenditure	2010-11 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,665,120	\$833,282	\$2,468,304	67.35%
Supplies and Services	4,611,840	660,358	1,447,557	31.39%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$8,276,960	\$1,493,640	\$3,915,862	47.31%

Fund Sources Combined: General, Development Services, Community Development Revolving, Parking, Street, Water, Wastewater and Storm Water.

Noteworthy Accomplishments This Quarter:

- The Corvallis Housing and Community Development Commission heard proposals from fourteen local agencies seeking \$209,820 in FY 11-12 CDBG Human Services Fund support, \$168,000 in CDBG capital and micro business program support, and \$620,000 in HOME program housing development support in January. The commission also approved a draft FY 11-12 CDBG/HOME Program Action Plan, finding it to be reflective of their recommended funding allocations. The plan will be forwarded to the City Council for its consideration and approval.

- The City and Willamette Neighborhood Housing Services (WNHS) executed a HOME Community Housing Development Organization funding reservation which commits \$800,000 in City HOME funding for WNHS's Seavy Meadows Community Land Trust homeownership housing project.
- During the third quarter of FY 10-11 the rental housing program staff received 196 contacts regarding a total of 322 issues, with 107 issues related to habitability and 215 issues of a non-habitability nature. Seventy-three of the habitability issues reported are, or may be, subject to the Rental Housing Code; citizens making contact in these cases have been advised of the process to follow to pursue resolution.
- The Planning Commission approved major modifications for a Conceptual and Detailed Development Plan for Bald Hill Farm and to Good Samaritan Regional Medical Center Master Plan to allow for construction of a surgery addition to the hospital.
- In February, the Planning Commission reviewed proposed Land Development Code Text Amendments to address Federal Emergency Management Agency (FEMA) requirements for activities within the 100-Year Floodplain. The revisions are required in association with implementation of updated FEMA maps of the 100-Year Floodplain for the City. The Commission forwarded a recommendation to the City Council.
- Fourteen land use applications were received by the Planning Division in the third quarter of FY 10-11, including nine historic preservation permit applications.
- Community Development received approval of a 2011 Certified Local Government Grant in the amount of \$14,500 in support of the Planning Division's Historic Preservation Program.
- Development Services Inspection and Plan Review staff attended code change classes for new statewide codes becoming effective April 1, 2011. These codes include the one and two Family Dwelling Specialty Code and Plumbing, and Electrical codes.
- Of the 666 mechanical and electrical permits issued in the 3rd quarter, 161 (or 24%) were issued online as e-permits.
- Development Services staff processed 40 residential and 124 non-residential plan reviews for proposed construction projects and conducted 3,327 construction inspections in the 3rd quarter.
- Ninety new Code Enforcement Program cases were created in this quarter as a result of citizens' complaints received.
- Met with the Development Services Stakeholder Advisory Group and the Development Resources & Resolutions/Blue Ribbon panel to solicit feedback and provide updates on the Development Services enhancement package implementation.
- The Economic Development Commission met four times during February and March and have begun developing the Commission's goals/objectives and success matrix.
- Staff continued making progress working with the Airport Committee to update the Airport Industrial Park Master Plan.

Upcoming/Pending Items:

- City-sponsored fair housing training events for landlords, tenants and special needs housing providers will be planned during April and May, and the first of six sessions will be held in June.
- Ground breaking activities for both the Alexander Court and Seavey Meadows sites related to Willamette Neighborhood Housing Services' City-funded Alexander Seavey 49 unit affordable housing development project will occur in May/June.
- Implement changes to three statewide adopted building codes for one and two Family Dwellings for commercial plumbing and electrical.
- Organize for move back downtown to the City Hall building.
- Promote Building Safety Month in May.
- Continue implementing Development Services Service Enhancement Package.
- The City Council is anticipated to adopt Land Development Code revisions to address FEMA requirements for development within 100-year floodplain areas at the April 18, 2011 meeting. The effective date for these code revisions, along with FEMA's revised 100-year floodplain maps, is expected to be June 2, 2011.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY09-10 ACTUAL	FY10-11 TARGET	3rd QTR ACTUAL	FY10-11 YTD
Cost Efficiency	Maintain stated objective of completing inspections within same day of request.	Percentage of building inspections completed on time.	100%	95%	100%	100%
	Achieve plan review turn-around time consistent with other Oregon cities.	Percentage of initial residential plan review completed within 14 calendar days.	87%	90%	95%	96%

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY09-10 ACTUAL	FY10-11 TARGET	3rd QTR ACTUAL	FY10-11 YTD
	Meet or exceed federal HOME match requirement (25%) for all investment of HOME housing dollars.	HOME housing dollars leveraged with outside investment in funded activities. ⁽¹⁾	101%	25%	0%	40%
	Meet or exceed State requirements for land use application review time.	Average review time (in days) to process a public hearing land use application. ⁽²⁾	44	< 115	42	38
	Meet or exceed State requirements for land use application review time.	Average review time (in days) to process administrative land use application. ⁽³⁾	25	< 45	11	16
Diversity	Assure that low income residents' housing needs are met in a cost effective manner.	Housing units occupied by low income households assisted per \$100,000 in City funds invested. ⁽⁴⁾	5.2	10.0	N/A	13.2
Community Involvement	Achieve at least the targeted % citizen rating of excellent or good.	Citizen satisfaction with land use process, from customer survey. ⁽⁵⁾	57%	60%	56%	56%
	Achieve at least the targeted % participant rating of excellent or good.	Economic Development applicants' rating of the process in annual survey. ⁽⁶⁾	70%	100%	N/A	N/A
Sustainability	Conserve resources by reducing fuel and paper use.	Percentage of Mechanical and Electrical permits issued online. ⁽⁷⁾	39%	20%	24%	30%
	Maintain the quality of low income housing in a cost effective manner.	Units of housing rehabilitated per \$100,000 in City funds invested. ⁽⁸⁾	2.4	5.0	54.4	29.2

- (1) Fiscal year HOME match is credited once during the year, in September, so it is not uncommon to have the first quarter reporting a match figure significantly higher than the target, and subsequent individual quarters reporting a 0% match amount while still achieving/exceeding the annual match goal.
- (2) Four hearing-level applications subject to the 120-Day Rule were considered during the third quarter.
- (3) The Planning Division issued decisions on four administrative land use applications in the third quarter.
- (4) There were no down payment assistance loans closed during the quarter.
- (5) This measure is derived annually, usually during the second quarter, from the National Citizen Survey conducted for the City of Corvallis.
- (6) There will be no Economic Development Allocation process this year or next, therefore this measure cannot be completed and will be discontinued in FY11-12.
- (7) Online services were expanded in January 2011 to include plumbing permits. Outreach to plumbers is being conducted, however the results are expected to continue to be lower than last year until the group has a chance to embrace this service. Nevertheless, FY 10-11 target is still being exceeded.
- (8) Two rehabilitation projects reached completion during the quarter. The first consisted of an older single family/owner-occupied home and the second was an 82-unit low income/senior housing complex.

FINANCE

Type of Expenditure	2010-11 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,508,920	\$826,903	\$2,488,443	70.92%
Supplies and Services	1,416,480	308,146	959,620	67.75%
Capital Outlay	70,000	22,461	27,495	39.28%
Total Operating Expenditures	\$4,995,400	\$1,157,510	\$3,475,557	69.58%

Fund Sources Combined: General, Parking, Technology and Communications and Administrative Services.

Noteworthy Accomplishments during this Quarter:

- Completed Utility Billing system process changes to ensure that the new sustainability initiative fees (SIF) are itemized on City Services bill.
- Moved administration of the Low-Income Payment Assistance Fund from the United Way to the Community Services Consortium per contract requirements.
- Finalized all refunds to Transit pass holders based on February advent of new fareless program.
- Collaborated with the Fire Department to integrate the High Plains records management system with the Tritech ambulance billing software.
- Worked with Budget Commission and City Council to develop a property tax operating levy ballot measure based on specified amounts for certain Library, Aquatic Center, Senior Center and social services programs.
- Analyzed request for proposal (RFP) responses, interviewed, and selected Davidson Fixed Income Management to assist staff with investment advisory services. The cost of this service is anticipated to be fully covered by increased yield from the application of more devoted and expert resources, continuing to be balanced with a bias to security of funds.
- Incorporated the new Fund Balance GASB 54 guidance into the City's Financial Plans and Financial Policies.
- In preparation for work on the year-end comprehensive annual financial report (CAFR), completed review of the draft actuarial report for Other Post Employment Benefits (OPEB) for which data was gathered in August 2010.
- Installed a new storage area network to expand capacity, reliability and robust access to data and information.
- Continued to move physical servers to the virtual server environment to cut energy costs and physical server count, thereby reducing cost of server replacements.
- Published an RFP in collaboration with the City Manager's Office for an improved City Internet website.
- Developed an implementation plan for Windows 7 upgrade and Exchange 2010 (Outlook).
- Municipal Court continued to work on past due accounts and turned over approximately \$974,000 to CSO collections, with approximately \$29,500 collected to-date.

Upcoming/Pending Items:

- Complete work on video arraignment connection and equipment to enable such service at municipal court.
- Review and analyze cost recovery process, and possible improvements therein, for merchant card fees.
- Explore opportunities and pricing for an Interactive Voice Response (IVR) system.
- Investigate the possible redesign of the City Services bill to streamline information presentation and potentially reduce costs.
- Implement an automated phone tree for Municipal Court to improve customer service through more efficient directing of incoming calls.
- Complete conversion of Click2Gov software to enable online payment of municipal court fines.
- Install a text-to-talk function on the Municipal Court computer to enable the Judge's spoken words to be seen as text on the flat panel television. MIS will also assist with installation of the equipment necessary to project court-required DVDs and network files such that more people can simultaneously view the screen.
- Complete ambulance billing collection policy and continue work on evaluating ambulance accounts that will need to be turned over to the collections vendor.
- Review bids received for audit services and select an audit firm.
- Prepare for and host the interim audit visit from the City's new auditors.
- Continue work on banking services request for proposal.
- Select a third-party safekeeping custodian for the City's investments to adhere to best practices and facilitate the new investment advisory service provider's related financial reporting.
- Propose a balanced FY 11-12 Budget to the Budget Commission in May, and take to Council for Adoption in June.
- Complete additional data cleaning for Center for Performance Management templates reviewed by ICMA at mid-year.
- Incorporate any changes in payroll system arising out of AFSCME and CPOA contract negotiations, as well as annual year-end modifications needed.
- Engage a consultant to boost network security configurations and improve network management methodologies based on best practices.
- Continue discussions with the Benton County IT department to determine whether collaborative reorganization warrants joint action by the City and County.
- Virtualize additional servers where technology and vendors allow the move to occur.
- Complete contract negotiations with the selected vendor for the City's website replacement and commence work on the project.
- Execute the Windows 7 implementation plan starting with deploying Windows 7 to the test group.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 ACTUAL	FY10-11 TARGET	3rd QTR ACTUAL	FY 10-11 YTD
Cost Efficiency	Receive sufficient per capita revenue levels to enable the City to maintain existing service levels.	Maintain operating revenue greater than or equal to \$1,350 per capita.	\$1,473	≥ \$1,350	\$289	\$1,193
	Ensure City resources are primarily spent on operations that provide services directly to citizens.	Maintain general overhead costs (City Manager's Office and Finance) at less than 6.8% of total operating budget.	5.97%	6.80%	6.63%	6.36%
	Provide necessary information technology resources for departments to operate efficiently.	Achieve 100% server uptime relative to scheduled server uptime. ⁽¹⁾	99.22%	100%	99.80%	99.99%
	Manage MIS resources effectively and provide cost-efficient, high-quality, pro-active service to the organization to support system changes to adapt to ongoing departmental needs.	Resolve service calls to repair calls at a ratio of three to one. ⁽²⁾	1.08/1.00	3.00/1.00	.95/1.00	.94/1.00
	Increase organizational efficiency in providing service output.	Maintain operating expenditures less than or equal to \$1,350 per capita.	\$1,379	≤ \$1,350	\$315	\$968
Sustainability	Reduce department wide paper consumption through increased use of electronic file sharing and software upgrades.	Reduce paper purchases by 10% in FY 10/11 over projected FY 09/10 consumption as measured in reams on a quarterly basis. ⁽³⁾	568	534	210	528
	Reduce paper and postage costs by increasing proportion of Utility Billing customers participating in E-Bill program.	Increase number of E-Bill/E-Pay participants to 20% of Utility Billing customers. ⁽⁴⁾	977	1,500	1,012	1,012

(1) MIS experienced one 2-hour outage during the third quarter.

(2) MIS Help Desk is documenting repair calls more accurately and recording multiple repair calls into a single repair call if a single incident is involved. The result is fewer incidents that require tracking and a lower service call to repair call ratio. In the third quarter, MIS had 374 service calls to 393 repair calls.

(3) Staff exceeded the reduction target for FY 09-10 and was on pace to meet the reduction target for FY 10-11. However, the Finance Department has experienced unanticipated printing volume in the third quarter due to budget reduction information and the need for hardcopy archiving of public information on the property tax levy. Consumption is expected to decrease in the fourth quarter.

(4) Staff E-Bill customers increased by four in the third quarter. Staff is continuing to publicize the benefits of an E-Bill on the monthly City Services bill in hopes of increased participation.

FIRE

Type of Expenditure	2010-11 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$8,297,920	\$2,021,040	\$6,241,837	75.22%
Supplies and Services	2,008,570	457,584	1,353,691	67.40%
Capital Outlay	320,440	4,203	24,994	7.80%
Total Operating Expenditures	\$10,626,930	\$2,482,827	\$7,620,523	71.71%

Capital outlay consists of station equipment, major building renovation/repairs and scheduled fire vehicle replacements.

Noteworthy Accomplishments during this Quarter:

- Received an Assistance to Firefighters grant to help fund the purchase of electric gurneys in an effort to reduce the number of back injuries sustained while moving patients.
- Assisted with the planning and execution of a multi-agency drill at Intel’s Aloha facility. The drill involved aspects of HazMat, Urban Search and Rescue, and Incident Management.
- Participated in a Public Information Table Top exercise at the National Energy Technology Lab in Albany.
- Worked with Samaritan Health Services on a revision of the facility decontamination plan for incidents involving more than ten persons.

Upcoming/Pending Items:

- Complete positioning of infrastructure for e-learning initiative. This will enable crews to remain in district and “attend” training and other meetings remotely. The system features two-way, real-time communication between the stations and headquarters to facilitate questions and answers as well as other forms of participation. The goal is to have all components in place by fiscal year end.
- Two IAFF employees will be retiring at the end of April. Cashouts totaling \$75,000 were unbudgeted, so will impact identified departmental savings.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 Actual	FY10-11 TARGET	3rd QTR ACTUAL	FY 10-11 YTD
Community Involvement	Interact with at least 10% of residents (city and rural district) in public education events annually.	Number of attendees at public education events.	7,338	6,600	1,122	5,524
Cost Efficiency	Achieve a response time of 5 minutes or less from dispatch to arrival on 80% of Code 3 fire calls within the city limits.	Percentage of fire calls with a response time of 5 minutes or less from dispatch to arrival within city limits. ⁽¹⁾	70.0%	70.0%	86.0%	81.0%
	Achieve a response time of 5 minutes or less from dispatch to arrival of ALS equipment on 45% of Code 3 EMS calls within the city limits (ASA contract target).	Percentage of EMS calls requiring ALS with response time of 5 minutes or less from dispatch to arrival within city limits. ⁽¹⁾	60.7%	60.0%	87.0%	79.0%
	Maintain operating costs per capita at or below that of comparator cities.	Total fire operating expenditures/1,000 population within city limits.	\$145.42	\$142.00	\$36.62	\$112.65
	Maintain false alarm rate at or below the level experienced by ICMA comparators.	False Alarms as a % of non-EMS responses in the city. ⁽²⁾	11%	12%	21%	22%
Sustainability	Maintain average loss per 1,000 population within city limits less than national average.	Maintain average loss per 1,000 population within city limits less than national average. ⁽³⁾	\$28,078	<\$38,800	\$8,227	\$13,319

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 Actual	FY10-11 TARGET	3rd QTR ACTUAL	FY 10-11 YTD
	Maintain number of reported structure fires per 1,000 population within the city limits at less than the national average.	Residential structure fires per 1,000 population served within city limits. (3)	.62	<1.30	0.38	0.73

- (1) Significantly improved response times are due to more accurate data. Prior to the implementation of the records management software, the only way to obtain base response times for only the first-arriving unit was to go through records manually, eliminating the data for subsequent-arriving apparatus. Resources were insufficient to efficiently conduct this manual task. Therefore, previous reports were based on all units' data, having the effect of lengthening the response times.
- (2) The measurement shown is the percentage of structure fires to false alarms. Corvallis has few fires but a number of false calls, due largely to malfunction of commercial alarm systems. Over time, the nuisance alarm ordinance and associated fines are expected to help reduce the number of repeat false alarms.
- (3) These measures can change dramatically with one significant, costly incident, hence the high target relative to actual experience in recent years.

LIBRARY

Type of Expenditure	2010-11 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,971,070	\$932,652	\$2,798,637	70.48%
Supplies and Services	2,368,540	494,995	1,533,798	64.76%
Capital Outlay	95,000	28,482	84,781	89.24%
Total Operating Expenditures	\$6,434,610	\$1,456,128	\$4,417,215	68.65%

Fund Sources Combined: Library and Library 2010 Fund. Capital outlay includes scheduled library equipment purchases and replacements.

Noteworthy Accomplishments during this Quarter:

- A new Sprinter van was delivered, customized shelving installed, and bookmobile services recommenced in late March.
- During this quarter the Library was open 13 fewer days than the third quarter last year, but usage continued to be high. Library visits increased by 5.4%, and staff interactions with the public increased by 5.3% over the same quarter last year.
- Published the Early Literacy Newsletter, which includes excellent tips for parents and friends of young readers.
- The Cat in the Hat visited the Library in February to help promote the new PBS series "The Cat in the Hat Knows a Lot about That!" Approximately 450 children and adults attended.
- Received two more grants of approximately \$10,000 each from Starker Forests and the Oregon Community Foundation for the South Benton Library Project.
- Completed a six-week staff cross-training exchange with reference librarians between Philomath and Corvallis libraries.
- All online resources were added to the Benton-County Public Library catalog thereby enabling users to retrieve database resources as part of their search.
- Hosted the eighth annual Tcha Ti Man Wi Storytelling festival, which included a special children's matinee at the Library featuring storyteller Antonio Rocha.
- Attendance continues to exceed Storytime Room capacity, thus Toddler and Preschool story-times have been moved to the Main Meeting Room.
- The Alsea Film Academy, which is co-sponsored by the Alsea Community Library, completed its third film project titled *Midnight Alsea with Kaylie Bennett*.
- A re-arrangement of some collections was made to relieve congestion in Juvenile series, Books on CD and Juvenile DVDs. Additionally, the Mary's Peak Bear sculpture and the opossum coat hooks were moved to more prominent locations to create a more welcoming entrance to the children's area of the Library.
- The Friends of the Library Big Book Sale raised \$31,325.
- Completed building maintenance projects including the replacement of lights in the garage to decrease energy use and replacement of the awning outside the east staff entrance.

Upcoming/Pending Items:

- Continue working with the Monroe community on plans for a new library building.
- Add exterior graphics and signage to the new Bookmobile; sell the current Bookmobile.
- Work on building maintenance and special projects such as masonry repair and sealing; seasonal landscaping; and annual special cleaning.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 ACTUAL	FY 10-11 TARGET	3rd QTR ACTUAL	FY 10-11 YTD
Cost Efficiency	Be at ICMA national average or below for operating and maintenance expenditures per item circulated of \$3.92.	Operating and maintenance expenditures per item circulated.	\$2.98	\$3.00	\$2.69	\$2.85
	Circulate at least 30% more per FTE than other ICMA comparable libraries – ICMA average of 25,131.	Circulation per FTE. ⁽¹⁾	32,193	32,300	9,530	26,852
Community Involvement	Achieve at least a 90% rating of excellent or good and be in the top five of national ICMA cities rated.	Citizen rating of overall library services.	90%	90%	92%	92%
	Be in the top 20% of circulation rates per capita of comparable ICMA libraries ≥ 14.3 .	Circulation rates per capita. ⁽²⁾	19.3	19	4.82	14.09
	Increase number of interactions with the public per FTE by 2% over previous year.	Interactions with the public per FTE.	6,200	5,800	1,613	5,040
	Be in the top five of comparable ICMA libraries in volunteer FTE's per 1,000 population $\geq .02$.	Number of volunteer FTE's per 1,000 population. ⁽³⁾	.082	.080	.088	.087
Diversity	Offer programs reflecting the diverse populations within Benton County.	Attendance at programs for children, teens, seniors, Latinos and other non-English speakers.	28,661	29,500	6,943	20,601
Sustainability	Each public computer is used at least 3,000 times per year.	Average number of user sessions per Corvallis Library public computer. ⁽⁴⁾	3,442	3,400	639	2,140
	Provide the materials people want to use and keep them moving through the community.	Circulation per registered borrower. ⁽⁵⁾	33.5	32	8.24	24.09

(1) Uses the ICMA definition of FTE which includes hours worked by casual staff. However, casual staff is now used very infrequently.

(2) ICMA Core measure using Benton County population equal to 86,725, per PSU population report 03/2010.

(3) The Library continues to utilize volunteers to keep up with demand for services.

(4) Use of public computers continues to decrease as more patrons bring their own laptops and utilize the wireless system. This measure may not meet the annual target.

(5) ICMA core measure. This measure is down about 4% from same period last year, reflecting the decrease in circulation since library open hours were decreased in July 2010.

PARKS & RECREATION

Type of Expenditure	2010-11 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$3,652,020	\$718,815	\$2,624,200	71.86%
Supplies and Services	2,093,700	414,252	1,363,759	65.14%
Capital Outlay	49,760	1,319	20,590	41.38%
Total Operating Expenditures	\$5,795,480	\$1,134,386	\$4,008,549	69.17%

Fund Sources Combined: Parks & Recreation, Aquatics and Open Space Funds. Capital outlay includes scheduled vehicle and machinery replacements.

Noteworthy Accomplishments during this Quarter:

- Submitted grant application for Shooting Star Trail Restoration to Oregon Parks and Recreation Department's Recreational Trails Program.
- Youth Volunteer Corps received \$1,000 in grant support from the Kiwanis and Oregon Commission for Voluntary Action and Service for Global Youth Service Day.
- Youth Volunteer Corps held the "Say Cheese" fundraising event raising \$650 for the program and Jackson Street Shelter.
- Held a group maintenance project at Central Park with shrub structural pruning, groundcover trim, and landscape bed cleanup accomplished.
- Presented the Herbert Farm and Natural Area Management Plan to the Human Services Committee, which was adopted by City Council March 7, 2011, and continued implementation of the plan.
- Awarded a contract to Premier Electric to install new underground wiring/conduit for the Central Park lighting upgrade.
- Conducted initial meetings with MIS to explore the construction of an electronic Urban Forestry Tree Service Request form to be accessible through the Parks and Recreation website.
- Neared completion of plant selection and installation plans for the Sunset Park and Natural Area landscape rehabilitation project where failed plantings will be replaced with more site appropriate material.
- Consulted with Public Works and the Corvallis Environmental Center regarding irrigation upgrades to the Sage Garden at Bruce Starker Arts Park.
- Completed meeting between the Corvallis Parks Division and Benton County Natural Area & Parks to discuss potential sharing of equipment between the two organizations. Agreements reached by both organizations to increase cooperation.
- Held the first of three public meetings to develop the Community Gardens Master Plan.
- Collaborated with City Manager's Office to bundle the bulk mailing of The City with the Parks & Recreation Activity Guide to improve distribution and decrease mailing expenses.
- Registered participants in several programs: 170 participants in the Recreational High School Basketball program; 270 Elementary, 126 Middle School, and 95 introductory participants in the Youth Basketball Program; and 16 teams and 150 participants for the Adult Basketball program.
- Received a grant from the Oregon Arts Commission and the National Endowment for the Arts to host an "Artists in the Parks" fundraising event in September.
- Senior Center staff registered 173 older adults for exercise classes and 97 for the Lifelong learning classes. Beginning and Intermediate bridge classes are full and there are 46 students taking foreign language classes; 119 users were logged in the Senior Center computer lab in March.
- Senior Center Wellness Program served 184 people in January with spinal health screening, support group meetings, foot care service and health care benefits assistance from trained volunteer counselors.
- Completed the Home Depot Day of Caring in February, to assist local seniors with home safety.
- Hosted the Healthy Aging Coalition Community Forum with 50 people in attendance.
- Hosted various events at the Aquatic Center, including the: Corvallis Aquatic Team "CAT Open" tournament with over 1,800 athletes and spectators participating; Rumbaugh Invitational Swim meet with over 1,600 participants; 11-14 age-group State Swimming Championships with over 1,500 participants; Mid-Willamette Valley High School District swim meet with over 1,200 participants; OSU Women's Water Polo Regional Competition with over 1,200 participants; Spring Invitational Swim Meet with over 1,400 participants; USA Water Polo Olympic Development Program with over 1,500 participants from the Western United States.
- Registered 101 pool rentals with over 5,500 participants; signed up 2,107 children and adults in the Swimming and Water Safety program; 2,941 seniors and adults participated in the AquaFitness and therapy classes; certified 86 citizens and Public Works employees in health and safety classes such as CPR, First Aid, and AED.
- Developed Corvallis' first public restroom paper towel recycling and composting program at Osborn Aquatic Center.
- Designed and distributed a survey to capture Osborn Aquatic Center visitor data on economic impacts to Corvallis.
- Continued fundraiser for the U/V system to help the water quality of the therapy pool.
- Pool Operator employee attended three free trainings on reducing energy and maintenance costs.
- Began analysis of Osborn Aquatic Center fee structure.

Upcoming/Pending Items:

- Develop a Friends Group for the Department.
- Conduct feasibility report regarding a Special District for Parks and Recreation.
- Complete annual fee review.
- Create a Master Plan for Tunison Park, utilizing community process.
- Conduct a cost recovery and Parks & Recreation Plan update.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 ACTUAL	FY10-11 TARGET	3rd QTR ACTUAL	FY 10-11 YTD
Community Involvement	Provide multiple opportunities for community involvement while lowering program costs.	Total number of hours worked by volunteer staff in support of parks and recreation activities. ⁽¹⁾	27,070 (13 FTE)	30,000 (14 FTE)	5,884	16,745
Cost Efficiency	Highlight the value of subsidized recreation at Osborn Aquatic Center.	Target cost per visit for subsidy at OAC. ⁽²⁾	\$2.51	\$3.23	\$3.05	\$3.07
	Highlight the value of subsidized recreation at Senior Center.	Target cost per visit for subsidy at the Senior Center. ⁽³⁾	\$4.01	\$5.00	\$7.03	\$5.07
	Keep operations & maintenance (O&M) costs per 1,000 population below the median for nationwide reporting cities populations between 35,000 and 70,000	Net annual P&R O&M expenditures (not incl. utilities) per 1000.	\$61,740	\$90,000	\$21,104	\$66,337
Sustainability	Increase the utilization percentage of granted scholarships.	Percent of total scholarship value expended. ⁽⁴⁾	19%	20%	13%	15%
	Maintain or improve the ratio of acres per population of comparator cities.	Total park acres per 1,000 population. ⁽⁵⁾	30.5	33.0	33.0	33.0
Diversity	Continue to design recreation programs to be inclusive, creating an opportunity for our diverse community to come together.	Number of programs offered annually and the number of participants.	1,020/ 23,504	1,025/ 29,000	175/ 1,838	678/ 12,974

- (1) Volunteers are most prevalent in the first and fourth quarters. The target is still attainable by year end, but the lack of staff time and materials make it difficult to utilize all the volunteers who would like to work.
- (2) Attendance is slightly lower in the third quarter compared to last year due to reduced operating hours.
- (3) As a result of not including the Senior Meals and Tax Assistance programs in the formula, cost per visit has increased.
- (4) The third quarter for this report is the first quarter of the Family Assistance year. Year to date figure is an estimate since the mechanism for tracking has changed with the implementation of the new operations management system on 9/1/10. More precise data should be available by the fourth quarter.
- (5) FY09-10 Actual was formerly listed as 33.0, however it was discovered that the wrong population amount was used in the calculation. This FY09-10 actual has been updated.

POLICE

Type of Expenditure	2010-11 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$9,469,836	\$2,255,702	\$6,929,023	73.17%
Supplies and Services	3,064,458	723,056	2,186,777	71.36%
Capital Outlay	51,130	0	6,040	11.81%
Total Operating Expenditures	\$12,585,424	\$2,978,758	\$9,121,840	72.48%

Fund Sources Combined: General, 9-1-1 Emergency Communications and Parking Fund. Capital outlay includes scheduled vehicle, equipment and computer system replacements.

Noteworthy Accomplishments during this Quarter:

- Implemented CrimeReports on-line crime mapping software to provide timely crime data through the department website.
- Patrol implemented a new 12-hour work schedule in February. This schedule will provide more officers available for each shift while decreasing overtime requirements.
- Negotiations with the Corvallis Police Officer's Association (CPOA) for a new labor contract began in March 2011.

Upcoming/Pending Items:

- Recruitment continues to fill the final dispatcher vacancy. One candidate is in the background phase of the process.
- Recruitment for the open police officer positions continue. Testing and interviews will be held in April.
- File preparation continues for the 2011 calendar year for Commission on Accreditation of Law Enforcement Agencies (CALEA) and for on-site inspection in December 2011.
- CPOA contract negotiations are anticipated to be completed in the fourth quarter.
- Work is nearing completion on the Evidence Compound at Public Works, and should be done by the end of June, 2011.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 ACTUAL	FY10-11 TARGET	3rd QTR ACTUAL	FY 10-11 YTD
Cost Efficiency	Increase community safety by reducing response time to top priority calls.	Response time in seconds to top priority calls.	308	300	314	303
	Increase community safety by clearing part 1 criminal investigations.	Percentage of Part 1 Crimes Cleared. ⁽¹⁾	Violent 59%	70%	31%	50%
			Property 18%	20%	11%	13%
	Efficiently move candidates through the complex recruitment process to reach and maintain fully authorized staffing levels.	Number of days to complete recruitment of police officers from testing to conditional job offer. ⁽²⁾	68	<100	183	136
Diversity	Increase community safety by maintaining overall number of traffic accidents resulting in injuries/ fatalities at less than the State average of 5.5/per thousand population.	Fatal and injury traffic accidents per 1,000 population. ⁽³⁾	1.76	<2.50	0.53	1.51
	Increase diversity of applicant pool through targeted outreach efforts.	Number of new, targeted outreach efforts. ⁽⁴⁾	3	6	0	0

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 ACTUAL	FY10-11 TARGET	3rd QTR ACTUAL	FY 10-11 YTD
Community Involvement	Achieve at least an 85% rating of excellent or good in citizen attitude surveys.	Citizen satisfaction ratings of overall police services.	78%	85%	83%	97%

- (1) Both violent and property clearances continue below target due to low staffing levels; currently there are six vacancies. Improvement in this measure is expected now that twelve hours shifts are in effect.
- (2) Recruitment was on hold for three months while candidates were in process, which extended the recruitment time period.
- (3) There have been only 83 accidents, or 1.51 per thousand, year to date. Comparison to national averages cannot be completed until cumulative data is compiled for the entire year.
- (4) Recruiting has been on hold due to budgetary constraints and these efforts will continue next fiscal year.

PUBLIC WORKS

Type of Expenditure	2010-11 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$11,465,710	\$2,652,067	\$8,053,123	70.24%
Supplies and Services	16,381,519	2,952,411	9,035,057	55.15%
Capital Outlay	1,421,670	116,588	191,277	13.45%
Total Operating Expenditures	\$29,268,899	\$5,721,066	\$17,279,457	59.04%

Fund Sources Combined: General, Street, Parking, Transit, Water, Water Timber, Wastewater, Storm Water, Airport, Fleet Maintenance, Facility Maintenance and Technology and Communications Fund. Capital outlay includes scheduled vehicle and equipment replacements.

Noteworthy Accomplishments during this Quarter:

- Updated the Municipal code and the City Council policy on sidewalk maintenance to establish consistency with recently adopted Sustainability Initiative Funding (SIF) programs.
- Implemented the sidewalk maintenance program as part of the SIF program. Performed a number of sidewalk repairs and added others to scope of work to be included in this year's Sidewalk Safety contract.
- Responded to requests for information about the new SIF fees on citizen's utility bills.
- Implemented fareless transit service as part of the SIF program; modified existing group-pass contracts, and reimbursed pass and coupon holder.
- Drafted the agreements between the City and the partner agencies to set expectations for activities and metrics for the Environmental Protection Agency (EPA) Climate Showcase Communities grant.
- Coordinated with Allied Waste to pilot test a leachate pretreatment system to allow leachate to continue to be accepted at the City's Wastewater Reclamation Plant (WWRP) for treatment.
- Completed a second round of treated wastewater sampling and analysis for 118 persistent bioaccumulative toxics (PBTs) mandated per requirements of Oregon Senate Bill 737 (SB737). Official results to be released from Department of Environmental Quality (DEQ) next quarter.
- Began construction of the City Hall Seismic and HVAC upgrade projects.
- Design phase finished and bids opened for the Fillmore/Lincoln sidewalk project. Construction will begin in May 2011.

Upcoming / Pending Items:

- As part of the Climate Showcase Communities Grant project, secure a consultant to assist with development of a greenhouse gas inventory for the community.
- Seek City Council direction on whether to reallocate unspent Energy Efficiency and Conservation Block Grant (EECBG) funds to other projects.
- Convert the "protective-permissive" traffic signal to a flashing left-turn yellow arrow at Kings and Buchanan.
- Open the new public restroom at the Downtown Transit Center.
- Issue contracts for this year's Sidewalk Safety and Grind/Inlay projects.
- Conduct the Allied Waste leachate pilot plant testing to determine the feasibility of constructing a full scale leachate treatment system at the WWRP.
- Finish the installation of emergency power generators at Hoover and Woodland drinking water pump stations.
- Complete the City Hall Seismic and HVAC upgrade projects by fiscal year end.
- Finalize work on the Fillmore/Lincoln sidewalk and the Circle Boulevard pedestrian crossing projects.

COUNCIL VALUES	Management Goals & Objectives	Performance Measures	FY 09-10 ACTUAL	FY 10-11 TARGET	3rd QTR ACTUAL	FY 10-11 YTD
Cost Efficiency	Maintain transit costs below national average of \$2.70.	Costs per transit ride. ⁽¹⁾	\$2.36	<\$2.70	\$1.60	\$1.94
	Have utility rates that contribute to Corvallis being an attractive place to live.	Control operation and maintenance costs to minimize annual utility rate increases. ⁽²⁾	9%	≤ 3%	N/A	2.4%
Community Involvement	Contribute to the environmental health of the community. (ICMA fourth quarter)	Citizen rating of the quality of street cleaning services as 'excellent' or 'good'. ⁽²⁾	80%	85%	N/A	82%
	Provide street and utility services that meet the needs of community residents.	Citizens rating Public Works services 'excellent' or 'good'. ⁽²⁾	78%	90%	N/A	77%
	Encourage citizen input on Public Works projects and activities.	Number of public meetings held. ⁽³⁾	NA	20	0	10
Sustainability	Be in the upper third of comparator cities for alternative fuels usage.	Percentage of vehicles and heavy equipment using alternative fuels. ⁽⁴⁾	35%	35%	N/A	N/A
	Maintain energy costs for wastewater treatment below the national average as determined by NACWA (\$166 per million gallons treated)	Energy cost per million gallons treated. ⁽⁵⁾	\$75.57	< \$70.00	N/A	N/A
	Remain below national average of 10% annually for water loss in the distribution system.	Percent of water loss in the distribution system.	4.85%	<10.00%	5.30%	4.70%
Diversity	Achieve an annual increase in targeted categories of transit ridership over the previous year.	Percent increase in number of rides categorized as seniors, youth or with a disability in the annual transit survey. ⁽⁵⁾	27.58%	10.00%	N/A	N/A

(1) Cost per transit ride continues to be lower due the increases in ridership related to fareless transit that began in February 2011.

(2) This is an annual measure reported in the second quarter.

(3) There were no public meetings held in the third quarter.

(4) This is an ICMA annual measure calculated in the fourth quarter. Data will be available August 2011.

(5) This is an annual measure reported in the fourth quarter.

NON-DEPARTMENTAL

Type of Expenditure	2010-11 Amended Budget	Unaudited 3rd Qtr Expenditures	Unaudited YTD Expenditures	Percent Expended
Personal Services	\$0	\$0	\$0	0.00%
Supplies and Services	1,519,260	366,509	1,105,429	72.76%
Capital Outlay	0	0	0	0.00%
Total Operating Expenditures	\$1,519,260	\$366,509	\$1,105,429	72.76%

Budget includes city allocations, paying agent fees for debt service and pass through cost of retired employees' medical benefits.

VACANCY SUMMARY

DEPARTMENT	Adopted 10-11 Budget AUTHORIZED FTE	FILLED FTE 3/15/2011	VACANT POSITIONS	STATUS
CMO	10.00	9.75	Risk/HR Coordinator (.25)	Underfilled
COMMUNITY DEVELOPMENT	40.30	32.80	Grant Program Specialist Building Inspector (3) Associate Planner (.5) Code Enforcement (.5) Permit Coordinator (.5) Project Coordinator Engineering Technician III	Recruitment closed offer made Held open Held open Held open Held open Held open Held open
FINANCE	38.00	36.75	Accountant Sr Admin Specialist (.25)	Held open Underfilled
FIRE	69.00	67.00	Firefighter EMT (2)	Held open
LIBRARY	45.39	42.89	Shelver (.5) Shelver (.25) Community Library Specialist (.75) Reference Librarian	Held open Underfilled Held open Held open
PARKS AND RECREATION	37.07	26.03	Management Assistant Senior Center Supervisor Aquatics Support Specialist Seasonal Parks Worker (8.04)	Held open Held open Held open Recruitment in spring
POLICE	92.25	83.25	Police Officer (5) Police Officer Assigned Public Safety Dispatcher (2) Parking Enforcement Officer	Recruitment in process Held open Held open Recruitment will be initiated
PUBLIC WORKS	119.25	114.12	Engineering Technician III Program Specialist - Transportation Program Specialist Fleet Services Specialist (.5) Environmental Analyst Administrative Specialist (.63)	Held open Recruitment in process reference check Recruitment not initiated Held open Recruitment in process Held open
TOTALS	451.26	412.59		

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program section is included in the Quarterly Operating Report to update readers on the status of projects currently in progress. Projects have been placed in one of seven broad-based infrastructure functional areas: Airport; Buildings and Facilities; Parks and Recreation; Storm Water; Transportation; Wastewater; and Water. At the end of the third quarter, Capital Project year-to-date expenditures totaled \$3,011,644 or 21.27% of the \$14,157,847 Amended Budget. The lists below include a breakout of major projects by those that are expected to be completed and projects delayed or cancelled. The projects for which only the design phase is to be complete have been marked as such. Please refer to the detail section starting on page three for more information on the status of all projects, including those below.

Projects Expected to be Completed	Page#
Airport Industrial Park Improvements	<u>3</u>
City Hall Block – Moose Building Demolition, Parking Lot Construction and Transit Mall restroom construction	<u>3</u>
Municipal Buildings Rehabilitation – Majestic Theatre Seismic, Phase III	<u>4</u>
Law Enforcement Fenced / Paved Compound	<u>4</u>
Circle Boulevard Pedestrian Activated Crossing	<u>5</u>
Country Club Drive Bike Lanes	<u>6</u>
Fillmore and Lincoln Sidewalks	<u>6</u>
Sidewalk Safety	<u>6</u>
WWMP Influent Pump Station	<u>7</u>
Baldy Reservoir Cover Replacement	<u>8</u>

Projects Delayed or Cancelled	
Goodnight Right-of-Way Acquisition	<u>6</u>
Reservoir Road Improvements	<u>6</u>
Traffic Signal – 26 th / Western	<u>7</u>
WWRP Methane Utilization	<u>8</u>

SUMMARY OF CIP PROJECTS

AIRPORT	ADOPTED	AMENDED	Y-T-D
Airport Facility Improvements	\$117,000	\$117,000	\$3
Airport Industrial Park Improvements	848,200	814,400	701,075
South Corvallis Drainage Improvements	20,000	20,000	2,692
Carryover Adjustment - Unused Budget	0	33,800	0
TOTAL Airport Projects	<u>\$985,200</u>	<u>\$985,200</u>	<u>\$703,770</u>
BUILDINGS AND FACILITIES			
	ADOPTED	AMENDED	Y-T-D
City Hall Block	\$2,082,210	\$2,029,780	\$803,698
Fire Dept. Prop. Acquisition & Fac. Relocation	48,000	48,000	1,446
Law Enforcement Fenced/Paved Compound	91,800	91,800	73,507
Municipal Buildings Rehabilitation	551,000	551,000	233,036
Carryover Adjustment - Unused Budget	0	52,430	0
TOTAL Buildings and Facilities	<u>\$2,773,010</u>	<u>\$2,773,010</u>	<u>\$1,111,688</u>
PARKS			
	ADOPTED	AMENDED	Y-T-D
Acquisition of Natural Areas	\$128,227	\$128,227	\$0
Osborn Aquatic Center	46,000	46,000	0
Park Facility Renovation	100,000	100,000	0
Park Improvements - Existing	180,000	180,000	0
Riverfront Commemorative Park Signage	30,850	30,850	0
Special Use Facilities	20,000	20,000	0
Trails/Bike Paths	10,000	10,000	35
TOTAL Parks	<u>\$515,077</u>	<u>\$515,077</u>	<u>\$35</u>
STORM WATER			
	ADOPTED	AMENDED	Y-T-D
Storm Drain Replacement	\$137,200	\$137,200	\$118,559
Storm Water Master Plan Projects	445,000	445,000	12,691
TOTAL Storm Water Projects	<u>\$582,200</u>	<u>\$582,200</u>	<u>\$131,250</u>
TRANSPORTATION			
	ADOPTED	AMENDED	Y-T-D
Advanced Transportation Management System	\$575,940	\$574,640	\$2
Circle Boulevard Pedestrian Activated Crossings	199,000	189,810	16,763
Country Club Drive Bike Lanes	238,000	238,000	165,139
Downtown Public Parking	200,000	200,000	0
Fillmore and Lincoln Sidewalks	95,300	95,300	20,903
Goodnight ROW Acquisition	370,000	370,000	0
Reservoir Road Improvements	300,000	300,000	0
Sidewalk Safety	228,090	228,090	54,534
South 3rd Street/Crystal Lake Drive Improvements	50,000	50,000	0
Street Reconstruction	55,000	55,000	7,307
Traffic Signals	282,040	282,040	263
Transit Operations Center	140,000	88,510	69,204
Utility and Street Improvements	200,000	200,000	0
Carryover Adjustment - Unused Budget	0	61,980	0
TOTAL Transportation	<u>\$2,933,370</u>	<u>\$2,933,370</u>	<u>\$334,115</u>
WASTEWATER			
	ADOPTED	AMENDED	Y-T-D
Biosolids Storage Tank	\$20,000	\$20,000	\$0
Marys River Interceptor Improvements	874,500	874,500	20,246
Sanitary Sewer Line Rehabilitation	614,910	614,910	325,019
WWMP Influent Pump Station	189,000	189,000	132,743
WWRP Electrical Equipment Replacement	1,606,950	1,542,770	112,123
WWRP Methane Utilization	78,680	78,680	0
Utility and Street Improvements	33,000	33,000	0
Carryover Adjustment - Unused Budget	0	64,180	0
TOTAL Wastewater Projects	<u>\$3,417,040</u>	<u>\$3,417,040</u>	<u>\$590,131</u>
WATER			
	ADOPTED	AMENDED	Y-T-D
Baldy Reservoir Cover Replacement	\$0	\$1,540	\$1,540
36th and Grant Water Pump Station Improvements	\$102,490	\$102,490	\$0
North Hills 1st Level Reservoir Improvements	2,063,660	2,062,450	76,437
Water Distrib System Rehabilitation	100,000	100,000	62,679
West Corvallis Second Level Water	600,800	600,800	0
Utility and Street Improvements	85,000	83,460	0
Carryover Adjustment - Unused Budget	0	1,210	0
TOTAL Water Projects	<u>\$2,951,950</u>	<u>\$2,951,950</u>	<u>\$140,656</u>
TOTAL All Areas	<u>\$14,157,847</u>	<u>\$14,157,847</u>	<u>\$3,011,644</u>

AIRPORT AND INDUSTRIAL PARK PROJECTS

<i>Airport Facility Improvements</i>	<u>CIP Doc Pg:</u> 1	<u>Adopted Budget:</u> \$117,000	<u>Amended:</u> \$117,000	<u>YTD Expended:</u> \$3
<p>This project will address space constraints and safety concerns by providing additional ramp, T-hangar space and an extension of the existing security / wildlife fence.</p> <p>This project is partially funded with an \$80,000 FAA grant to extend fencing. A Connect Oregon III grant has been awarded to the City to be used for the required FAA funding match. The grant was approved by the City Council, the agreement signed by the City and forwarded to the State for full execution during the 2nd quarter. The FAA approved the contract documents for advertisement. Bid opening is scheduled for the end of April.</p>				
<i>Airport Industrial Park Improvements</i>	<u>CIP Doc Pg:</u> 3	<u>Adopted Budget:</u> \$848,200	<u>Amended:</u> \$814,400	<u>YTD Expended:</u> \$701,075
<p>This project makes improvements to Hout Street. It will support economic development of the Airport Industrial Park by constructing infrastructure necessary for new development by providing access and utilities to “shovel ready” property.</p> <p>Construction is complete.</p>				
<i>South Corvallis Drainage Improvements</i>	<u>CIP Doc Pg:</u> 7	<u>Adopted Budget:</u> \$20,000	<u>Amended:</u> \$20,000	<u>YTD Expended:</u> \$2,692
<p>This project includes land acquisition and implementation of public improvements in the airport storm drainage system to limit impact of storm water discharge from the airport basin. Preliminary design is complete and a design report has been issued. No further work is anticipated at this time.</p>				

BUILDING AND FACILITIES PROJECTS

<i>City Hall Block</i>	<u>CIP Doc Pg:</u> 11	<u>Adopted Budget:</u> \$2,082,210	<u>Amended:</u> \$2,029,780	<u>YTD Expended:</u> \$803,698
<p>This project addresses the long-term facility needs for the City Hall block. The conversion of the Madison Avenue Building for expanded use as City office space was completed in FY 05-06. City Hall interior remodeling was completed in FY 07-08 to better utilize the space and take advantage of energy savings from lighting and HVAC upgrades.</p> <p>The budget for FY 10-11 includes City Hall window replacement, demolition of the Moose Building, City Hall HVAC (heat pump and boiler replacement) and City Hall Seismic retrofits. Staff has obtained a bank loan to fund the replacement of exterior windows at City Hall and the property tax portion of the Moose Building and the City Hall Seismic, along with other property tax funded capital projects. Additionally, a FEMA Pre-Disaster Mitigation grant of up to \$812,500 has been obtained that will fund 75% of eligible seismic construction costs with a 25% match requirement. The contract for the City Hall window replacement construction was awarded and work will begin in April with completion in May. The Moose Building demolition project also includes the construction of additional parking spaces and restroom facilities. The Moose Building demolition and parking lot construction are complete with only punchlist items remaining. The Transit Mall restroom construction is in progress and scheduled for completion in April. Construction of the City Hall HVAC and Seismic retrofit projects is in progress and is scheduled for completion in May.</p>				
<i>Fire Dept. Prop. Acquisition & Fac. Relocation</i>	<u>CIP Doc Pg:</u> 13	<u>Adopted Budget:</u> \$48,000	<u>Amended:</u> \$48,000	<u>YTD Expended:</u> \$1,446
<p>This project relocates and replaces the current training facility, which is 40 years old and in poor condition.</p> <p>Staff has identified property on the north end of the Public Works (PW) compound that may be suitable for the drill tower and compatible with the PW Facilities Plan. In early 2009, a lease agreement was approved by City Council. A wetlands survey is being conducted and should be completed by late spring. An RFP for design services is currently being prepared and will be advertised upon completion of the wetland survey.</p>				

Law Enforcement Fenced/Paved Compound	<u>CIP Doc Pg:</u> 15	<u>Adopted Budget:</u> \$91,800	<u>Amended:</u> \$91,800	<u>YTD Expended:</u> \$73,507
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This project will provide additional storage for the Police Department for large items such as vehicles and bicycles seized as evidence or for forfeiture. This project will design and construct a secure compound which will include a paved area with lighting, security fencing, alarm system, and video cameras with remote monitoring.

Construction began in the 2nd quarter and based rock phases are complete, fence poles are installed, and lamp and security posts are under construction. The rest of the construction is weather dependant at this time.

Municipal Buildings Rehabilitation	<u>CIP Doc Pg:</u> 17	<u>Adopted Budget:</u> \$551,000	<u>Amended:</u> \$551,000	<u>YTD Expended:</u> \$233,036
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This project extends the life of municipal buildings through a planned program of rehabilitation projects. This fiscal year’s budget includes Library masonry repair and seal; Law Enforcement Building (LEB) HVAC control system; Majestic Theater seismic phase III construction; and the Senior Center Geothermal Heat Pump (GHP).

No work has been initiated yet on the Library masonry. LEB HVAC control system work has been completed. Majestic Theater seismic construction phase III work is complete and a final punchlist has been issued. The Senior Center GHP project is currently being designed. The plan for the well field has been reviewed by Public Works and Parks staff. The comments provided were aimed to minimize conflicts with Parks department programs and use of Chintimini Park.

PARKS AND RECREATION

Acquisition of Natural Areas	<u>CIP Doc Pg:</u> 21	<u>Adopted Budget:</u> \$128,227	<u>Amended:</u> \$128,227	<u>YTD Expended:</u> \$0
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This project looks at the acquisition of land for the purposes of open space and passive recreation. No properties have been identified for purchase. Staff has been working with the Greenbelt Land Trust to evaluate a potential acquisition or option that may meet the criteria for the Chip Ross Fund.

Osborn Aquatic Center	<u>CIP Doc Pg:</u> 23	<u>Adopted Budget:</u> \$46,000	<u>Amended:</u> \$46,000	<u>YTD Expended:</u> \$0
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This project will enhance the social sustainability of the Osborn Aquatic Center (OAC) by providing a healthier environment for the community. This fiscal year’s budget includes installing ultraviolet (UV) lights in the small indoor pool to dissipate the negative effects of chlorine; and to complete design for solar panels at OAC.

The projects planned for this fiscal year will be dependant upon donations as well as grants to fund them. OAC continued to receive donations during the 3rd quarter to help fund the small pool UV lights, which is scheduled for completion in the 4th quarter.

Park Facility Renovation	<u>CIP Doc Pg:</u> 27	<u>Adopted Budget:</u> \$100,000	<u>Amended:</u> \$100,000	<u>YTD Expended:</u> \$0
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This project allows for significant renovation of existing parks with facilities that have depreciated beyond the routine repair stage. The FY 10-11 budget includes Art Center Plaza reconstruction to include removal of existing pavers and installation of a new surface as well as electrical and landscaping upgrades. This project has not yet been initiated pending the State Parks “notice to proceed” related to the grant awarded for construction of this project. Staff has met with stakeholders to determine locations and species of trees and benches in the plaza, as well as with the Madison Avenue Task Force to discuss the project.

Park Improvements - Existing	<u>CIP Doc Pg:</u> 29	<u>Adopted Budget:</u> \$180,000	<u>Amended:</u> \$180,000	<u>YTD Expended:</u> \$0
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This project provides for improvements to existing City Parks. Staff has reviewed the plans for a community garden at Willamette Park and will now combine efforts with Healthy Kids Healthy Communities (HKHC) on future work in the south Corvallis area and specifically this park which had already been designated as a possible future site. No other projects have been initiated at this time. Staff has been working with Rotary for a potential donation towards the construction of the Willamette Park shelter. Staff has prepared a grant application to Oregon State Parks to fund improvements to Tunison Park, including new play equipment and a circulation plan that supports ADA access and active living.

<i>Riverfront Commemorative Park Signage</i>	<u>CIP Doc Pg:</u> 31	<u>Adopted Budget:</u> \$30,850	<u>Amended:</u> \$30,850	<u>YTD Expended:</u> \$0
<p>This project included the design and implementation of public improvements along First Street and the Riverfront consistent with City Council goals. This project also widened the downtown multi-use path to 12 feet and provided 350 feet of new path to connect to the Van Buren Bridge and B Street. All construction was completed in FY 03-04, with the exception of interpretive signs. There are six signs remaining which have not been completed. There has been no additional work done on this project.</p>				
<i>Special Use Facilities</i>	<u>CIP Doc Pg:</u> 35	<u>Adopted Budget:</u> \$20,000	<u>Amended:</u> \$20,000	<u>YTD Expended:</u> \$0
<p>This project allows for improvement of facilities which are site specific. The FY 10-11 budget includes resurfacing tennis courts at Cloverland Park and School District partnership tennis courts at Lincoln, Linus Pauling, and former Westland Schools.</p> <p>Due to weather conditions and time constraints, staff has not worked on this project in the 3rd quarter. Staff expects this project to be completed in the 4th quarter.</p>				
<i>Trails/Bike Paths</i>	<u>CIP Doc Pg:</u> 37	<u>Adopted Budget:</u> \$10,000	<u>Amended:</u> \$10,000	<u>YTD Expended:</u> \$35
<p>This project improves and adds trails and bike paths for citizen enjoyment. The FY 10-11 budget is for the design of Shooting Star trail improvements in the Timberhill area. Staff applied for a grant and gave a presentation to Oregon State Parks describing the condition of the existing trail and how grant funds would be used to improve the deteriorated trail.</p>				

STORM WATER UTILITY

<i>Storm Drain Replacement</i>	<u>CIP Doc Pg:</u> 43	<u>Adopted Budget:</u> \$137,200	<u>Amended:</u> \$137,200	<u>YTD Expended:</u> \$118,559
<p>This annual program replaces or rehabilitates storm water pipelines that are inadequately sized or have exceeded their useful service life. The facilities to be replaced are selected based on their condition as determined through inspection.</p> <p>Construction of projects designed in FY 09-10 is complete. Design of projects planned for FY 11-12 has been initiated.</p>				
<i>Storm Water Master Plan Projects</i>	<u>CIP Doc Pg:</u> 45	<u>Adopted Budget:</u> \$445,000	<u>Amended:</u> \$445,000	<u>YTD Expended:</u> \$12,691
<p>This project implements recommendations from the adopted Storm Water Master Plan. Projects were prioritized and developed based on highest system need while addressing flood mitigation, system capacity, operations and maintenance needs, and preservation and enhancement of natural resources. Design of projects to be constructed in FY 11-12 continues.</p>				

TRANSPORTATION

<i>Advanced Transportation Management System</i>	<u>CIP Doc Pg:</u> 55	<u>Adopted Budget:</u> \$575,940	<u>Amended:</u> \$574,640	<u>YTD Expended:</u> \$2
<p>This project will install an Advanced Transportation Management System to include remote video monitoring of intersection conditions and control of signal operations at eight intersections on Van Buren Avenue and Harrison Boulevard, between 2nd and 5th Streets.</p> <p>Design is in progress and construction will occur next summer. Staff continues to review an interagency agreement with ODOT.</p>				
<i>Circle Boulevard Pedestrian Activated Crossings</i>	<u>CIP Doc Pg:</u> 61	<u>Adopted Budget:</u> \$199,000	<u>Amended:</u> \$189,810	<u>YTD Expended:</u> \$16,763
<p>This project will provide pedestrian crossings with activated signals along Circle Boulevard at the former Richey's Market location, Janssen and 17th Streets. A construction contract was awarded during the 2nd quarter. Construction work will begin in April. A press release was issued to alert the public of likely traffic impacts.</p>				

<i>Country Club Drive Bike Lanes</i>	<u>CIP Doc Pg:</u> 65	<u>Adopted Budget:</u> \$238,000	<u>Amended:</u> \$238,000	<u>YTD Expended:</u> \$165,139
This project makes improvements to Country Club Drive to facilitate the safe movement of bicyclists traveling southbound. Immediately west of 35 th Street, Country Club Drive has a bike lane on the north side of the road, but not the south. Construction began at the end of September and was completed during the 2 nd quarter.				
<i>Downtown Public Parking</i>	<u>CIP Doc Pg:</u> 67	<u>Adopted Budget:</u> \$200,000	<u>Amended:</u> \$200,000	<u>YTD Expended:</u> \$0
This project funds upgrading, altering and constructing public parking within the central business district. This project is a placeholder for opportunities to secure additional sites or to make improvements to existing parking facilities. No upgrades have been identified during the 3 rd quarter.				
<i>Fillmore and Lincoln Sidewalks</i>	<u>CIP Doc Pg:</u> 71	<u>Adopted Budget:</u> \$95,300	<u>Amended:</u> \$95,300	<u>YTD Expended:</u> \$20,903
This project makes improvements to sidewalks and ADA ramps on Fillmore and Lincoln Avenues between 29 th and 30 th Streets to facilitate safe movement of pedestrians. This project is currently advertising for construction with bid opening scheduled for April 5, 2011. Construction is expected to be completed by June 30 th .				
<i>Goodnight ROW Acquisition</i>	<u>CIP Doc Pg:</u> 73	<u>Adopted Budget:</u> \$370,000	<u>Amended:</u> \$370,000	<u>YTD Expended:</u> \$0
This project will acquire right-of-way to allow for alignment of eastern and western legs of Goodnight Avenue at its intersection with Highway 99. The project budget will be used negotiate an agreement with the current property owner allowing the City a first right-of-refusal in the event the property is offered for sale. This project has not yet been initiated and has been rebudgeted to FY 11-12.				
<i>Reservoir Road Improvements</i>	<u>CIP Doc Pg:</u> 83	<u>Adopted Budget:</u> \$300,000	<u>Amended:</u> \$300,000	<u>YTD Expended:</u> \$0
This project will fund the SDC eligible elements of Reservoir Road improvements to be constructed by Benton County. These improvements include additional street structure to accommodate the heavier traffic volumes experienced by collector and arterial facilities, as well as street width in support of bike lanes and turn lanes. The identified budget is for a SDC reimbursement only. Funding for the project balance will be provided by Benton County.				
<i>Sidewalk Safety</i>	<u>CIP Doc Pg:</u> 85	<u>Adopted Budget:</u> \$228,090	<u>Amended:</u> \$228,090	<u>YTD Expended:</u> \$54,534
This program continues the systematic repair and replacement of hazardous public sidewalks and installation of ADA ramps. This project utilized New Freedom grant funds for installation of new ADA ramps in locations where none currently exist. City staff performed all work associated with this grant for two fiscal years, which began in FY 08-09. A total of 38 ramps have been completed. Construction has been completed up to the maximum allowed under the grant and a reimbursement request submitted to the granting agency. The City Council adopted Municipal Code Chapter 3.07, Sidewalk Improvements, to create the Sidewalk Maintenance Fee which went into effect on February 1, 2011. This new fee is collected monthly from Corvallis utility customers and will be used to repair public sidewalk hazards. Prior to this Code change, property owners directly paid the costs to repair sidewalk hazards adjacent to their property. Staff plans to begin contract work related to hazardous sidewalk repairs funded by the new fee during the fourth quarter.				
<i>South 3rd Street/Crystal Lake Drive Improvements</i>	<u>CIP Doc Pg:</u> 87	<u>Adopted Budget:</u> \$50,000	<u>Amended:</u> \$50,000	<u>YTD Expended:</u> \$0
This project will relocate the traffic signal cabinet out of the sidewalk / multi-use path area to improve vision clearance; reconstruct the sidewalk / path and ADA ramp to meet ADA standards. This project has not yet been initiated.				
<i>Street Reconstruction</i>	<u>CIP Doc Pg:</u> 89	<u>Adopted Budget:</u> \$55,000	<u>Amended:</u> \$55,000	<u>YTD Expended:</u> \$7,307
This project is the annual re-construction and overlay of selected streets based upon priorities set by a survey of pavement conditions. This project design has been initiated with construction scheduled for this summer.				

Traffic Signals	<u>CIP Doc Pg:</u> 93	<u>Adopted Budget:</u> \$282,040	<u>Amended:</u> \$282,040	<u>YTD Expended:</u> \$263
This project provides for design and construction of a signal at 26 th Street and Western Boulevard intersection with funding provided by OSU. 95% design plans have been sent to OSU for review. The project is currently on hold pending further authorization from OSU.				
Transit Operations Center	<u>CIP Doc Pg:</u> 95	<u>Adopted Budget:</u> \$140,000	<u>Amended:</u> \$88,510	<u>YTD Expended:</u> \$69,204
This project is to design and build an operations center, and a maintenance and storage facility for the City's transit system. The first phase is to design the center and to acquire the real property. The second phase will construct the facility. Phase I is partially funded with a grant from the Federal Transit Administration (FTA) for 80% of eligible costs.				
The project was on hold pending clarification of issues raised by the Federal Transit Administration (FTA). After meeting with FTA to discuss the issues, staff received clarification on how to proceed and processed a contract amendment to continue with environmental and design work with the original consultant. A design workshop was held in March, 2010 with various Public Works staff to generate design options for a combined transit operations and maintenance Public Works facility. A single design alternative was selected in June by a PW team. The consultant has completed the environmental report, preliminary design, and cost estimate. These elements were combined in a draft documented categorical exclusion and submitted to the FTA in January. Responses to question raised by the FTA review were provided to the agency in March.				
Utility and Street Improvements	<u>CIP Doc Pg:</u> 97	<u>Adopted Budget:</u> \$200,000	<u>Amended:</u> \$200,000	<u>YTD Expended:</u> \$0
These street assessments provide street improvements to existing properties or to new developments that are not currently being served. Assessment projects require that the costs of the projects be paid by the owners and may be initiated by the City or by the owners of the property who benefit. This project is also used to reimburse developer-financed projects where System Development Charge (SDC) participation is appropriate. There was no street related activity during the 3 rd quarter.				

WASTEWATER UTILITY

Biosolids Storage Tank	<u>CIP Doc Pg:</u> 105	<u>Adopted Budget:</u> \$20,000	<u>Amended:</u> \$20,000	<u>YTD Expended:</u> \$0
This project provides for the replacement/rehabilitation of the existing biosolids storage tank and pumping system which are showing signs of age. City staff will partner with Valley Landfill, Inc. on this project. Valley Landfill, Inc has not taken any action on this project yet; therefore, this project has not yet been initiated.				
Marys River Interceptor Improvements	<u>CIP Doc Pg:</u> 107	<u>Adopted Budget:</u> \$874,500	<u>Amended:</u> \$874,500	<u>YTD Expended:</u> \$20,246
This project provides for design and construction of a new parallel 42-inch interceptor from Western Boulevard to the outlet manhole for the Marys River Lift Station. Design is underway with construction scheduled for the summer of 2011.				
Sanitary Sewer Line Rehabilitation	<u>CIP Doc Pg:</u> 109	<u>Adopted Budget:</u> \$614,910	<u>Amended:</u> \$614,910	<u>YTD Expended:</u> \$325,019
This program annually replaces or rehabilitates sanitary sewers, which have exceeded their service lives and/or allow excessive amounts of extraneous rainwater or groundwater (inflow and infiltration) into the sewer system.				
The project scope was established as a project to rehabilitate manholes. The contractor has completed all work for projects designed in FY 09-10. Due to favorable bids for this work, the project came in substantially under budget. An emergency pipe replacement portion of this project was bid and a contract awarded. Construction work began in March and is substantially completed. The contractor is waiting for a favorable weather window to complete the repair work and finalize the project. Design work for projects to be constructed in FY 11-12 is underway.				
WWMP Influent Pump Station	<u>CIP Doc Pg:</u> 113	<u>Adopted Budget:</u> \$189,000	<u>Amended:</u> \$189,000	<u>YTD Expended:</u> \$132,743
This project provides improvements to the influent pump station to address the hydraulic turbulence issues during high influent flow rates. Construction began in FY 09-10 and was completed during the 1 st quarter of FY 10-11.				

WWMP Odor Control Facility	<u>CIP Doc Pg:</u> 117	<u>Adopted Budget:</u> \$0	<u>Amended:</u> \$0	<u>YTD Expended:</u> \$0
This project provides for the design and construction of a new electrical equipment building, replacement of the critical main electrical system components and emergency generator at the Wastewater Reclamation Plant (WWRP).				
Design has been completed and bids were opened in March. Once the award process has been completed, the contractor will order long lead time equipment. Actual switchgear installation is scheduled to begin in July, 2011.				
WWRP Electrical Equipment Replacement	<u>CIP Doc Pg:</u> 119	<u>Adopted Budget:</u> \$1,606,950	<u>Amended:</u> \$1,542,770	<u>YTD Expended:</u> \$112,123
This project provides equipment to utilize digester methane gas to offset electrical natural gas costs. This project has not yet been initiated.				
Utility and Street Improvements	<u>CIP Doc Pg:</u> 97	<u>Adopted Budget:</u> \$33,000	<u>Amended:</u> \$33,000	<u>YTD Expended:</u> \$0
These sewer assessments provide utility improvements to existing properties or to new developments that are not currently being served. Assessment projects require that the costs of the projects be paid by the owners and may be initiated by the City or by the owners of the property who benefit. This project is also used to reimburse developer-financed projects where System Development Charge (SDC) participation is appropriate. There were no wastewater utility reimbursements in the 3 rd quarter.				

WATER UTILITY

Baldy Reservoir Cover Replacement	<u>CIP Doc Pg:</u> n/a	<u>Adopted Budget:</u> \$0	<u>Amended:</u> \$1,540	<u>YTD Expended:</u> \$1,540
This project provides for design and replacement of the floating cover on the Baldy 1 st Level Water Reservoir. Included in the cover replacement will be the installation of a new rainwater removal system, installation of a water quality monitoring system and minimal site improvements. The cover replacement was completed in FY 08-09. The associated site improvements were delayed until FY 10-11. The work has been completed.				
36th and Grant Water Pump Station Improvements	<u>CIP Doc Pg:</u> 129	<u>Adopted Budget:</u> \$102,490	<u>Amended:</u> \$102,490	<u>YTD Expended:</u> \$0
This project replaces the building and electrical equipment at the 36 th Street and Grant Avenue water pump station. This project has not yet been initiated.				
North Hills 1st Level Reservoir Improvements	<u>CIP Doc Pg:</u> 135	<u>Adopted Budget:</u> \$2,063,660	<u>Amended:</u> \$2,062,450	<u>YTD Expended:</u> \$76,437
This project provides for design and construction of reservoir improvements to the North Hills 1 st Level East Reservoir. 90% design is under review and construction has been carried over for completion in FY 11-12.				
Water Distrib System Rehabilitation	<u>CIP Doc Pg:</u> 141	<u>Adopted Budget:</u> \$100,000	<u>Amended:</u> \$100,000	<u>YTD Expended:</u> \$62,679
This program provides for ongoing replacement or rehabilitation of the City's water distribution system infrastructure. Construction has been completed for projects designed in FY 09-10. Design work for projects to be constructed in FY 11-12 has been initiated and is expected to be completed by May.				
West Corvallis Second Level Water	<u>CIP Doc Pg:</u> 145	<u>Adopted Budget:</u> \$600,800	<u>Amended:</u> \$600,800	<u>YTD Expended:</u> \$0
This project provides water distribution facilities in the West Corvallis second level service areas. Design work is on hold pending acquisition of easements required across private property south of West Hills Road.				
Utility and Street Improvements	<u>CIP Doc Pg:</u> 95	<u>Adopted Budget:</u> \$85,000	<u>Amended:</u> \$83,460	<u>YTD Expended:</u> \$0
These water assessments provide utility improvements to existing properties or to new developments that are not currently being served. Assessment projects require that the costs of the projects be paid by the owners and may be initiated by the City or by the owners of the property who benefit. This project is also used to reimburse developer-financed projects where System Development Charge (SDC) participation is appropriate. There were no water utility reimbursements in the 3 rd quarter.				

CORVALLIS CITY COUNCIL GOALS 2010-2011

PREFACE:

This is an update on work accomplished on Council Goals during the last quarter, with expected work to be accomplished in the future also summarized. Overarching Council goals and values throughout the Corvallis 2020 Vision Statement and within the goals listed below include:

- ◆Diversity ◆Citizen Involvement ◆Sustainability ◆Cost Efficiency

Goals	Corvallis 2020 Vision Statement Categories
<p>By December 2011, the Council will provide direction on recommendations to strengthen access to and availability of locally produced food and community gardens via policy, ordinance and Land Development Code changes. * By December 2012, the Council will enact code and policy changes corresponding with that direction.</p> <p><u>Accomplished through March 31, 2011:</u></p> <ul style="list-style-type: none"> • The Parks and Recreation Department is in process to develop a community gardens master plan. The process has included assembling an eleven member stakeholder committee to represent the community. • The Parks and Recreation Department held one of three public meetings as part of the Community Garden Master plan process. • The Community Development Department is providing planning staff support to the Health Impact Assessment (HIA) Project related to local food and urban agriculture through an intergovernmental agreement with County. The project kicked off in February and City staff have participated in two meetings thus far. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • To continue the Community Garden Master Plan process, define the types of gardens, establish garden site selection criteria, and develop a user friendly guide on how and where to start a Community Garden on City of Corvallis park lands. • The HIA group will continue to develop a plan of work with recommendations expected later in 2011. 	<p>Economic Vitality Governing and Civic Involvement Where we Live</p>
<p>By December 2011, the Council will consider action on recommendations by the Economic Development Commission concerning strategic priorities and funding sources for Economic Development initiatives.</p> <p><u>Accomplished through March 31, 2011:</u></p> <ul style="list-style-type: none"> • The Economic Development Commission (EDC) has been meeting twice monthly, has received orientation information, and is in the process of developing a strategic plan. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • The EDC will continue work on strategic planning and will also provide recommendations to the City Council regarding Enterprise Zone expansion and interim economic development services for fiscal year 2011-12. 	<p>Central City Economic Vitality Governing and Civic Involvement Where we Live</p>

Goals	Corvallis 2020 Vision Statement Categories
<p>Working with OSU President and his staff, by December 2011, the Council will create a plan to seize opportunities on parking, code enforcement, infill design, rental code, traffic design and other important issues.</p> <p><u>Accomplished through March 31, 2011:</u></p> <ul style="list-style-type: none"> Leadership from the City and OSU met to develop a plan for prioritizing initiatives and moving forward. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> Respective staffs will meet in the second quarter with a check-in scheduled with joint leadership by the end of the second quarter. Once reviewed by leadership, a follow-up Council discussion will be scheduled regarding the plan, including priorities, timelines and resources necessary to be successful. 	<p>Central City Education and Human Services Governing and Civic Involvement Protecting the Environment Where we Live</p>
<p>The Council will create a financially sustainable City budget.</p> <ul style="list-style-type: none"> * Amend compensation policies to align total employee compensation with available City revenue. * Develop new sources of revenue that align with the cost of desired City services. <p><u>Accomplished through March 31, 2011:</u></p> <ul style="list-style-type: none"> The Budget Commission directed the City Manager to develop a balanced budget to proposed at the May 3, 2011 Budget Commission meeting. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> The Council policy on City compensation is scheduled for review in October 2011. Work on revenue alternatives will begin in the summer. Staff is currently in discussions on partnering and districting white papers for fire, 9-1-1 dispatch and parks and recreation services. 	<p>Culture and Recreation Central City Economic Vitality Education and Human Services Governing and Civic Involvement Protecting the Environment Where we Live</p>

Goals	Corvallis 2020 Vision Statement Categories
<p>Accomplishments Toward the Overarching Goals and Values (Diversity, Citizen Involvement, Sustainability and Cost Efficiency):</p> <ul style="list-style-type: none"> • Citizen Involvement: <ul style="list-style-type: none"> ○ Public Works staff began a public outreach process for the project to construct a rain garden on Beca Avenue. ○ Public Works staff cooperated with an OSU Engineering class on a project to optimize the removal of nutrients from the City’s wastewater discharge. ○ Public Work staff implemented the new process to address public sidewalk defects. A number of problems have been reported and resolved. • Sustainability: <ul style="list-style-type: none"> ○ The Sustainability work group applied for and received a \$492,000 grant from the Environmental Protection Agency (EPA) to support community-based programs to conserve energy in households and businesses. ○ The City published the seventh annual Sustainability Report, documenting staff’s efforts and accomplishments in moving the organization’s activities to a more sustainable level. Highlights include a reduction in energy use of 700,000 kWh and 54,900 therms, and an estimated reduction in waste to the landfill of ten tons. ○ Public Works replaced outdoor lights in the maintenance area and in the Library garage with inductive light fixtures to reduce power consumption, improve lighting levels and extend fixture life. • Diversity: <ul style="list-style-type: none"> ○ The City Manager’s Office staff participated in the planning and implementation of two Employer Partnership for Diversity trainings; the Future of Work (March) and Courageous Conversations (January). ○ Transit service was converted to a fareless system, providing the opportunity to ride for all income levels in the community. • Cost Efficiency: <ul style="list-style-type: none"> ○ The City Manager’s Office and Finance Department staff restructured risk management responsibilities to better utilize existing staff levels. Property and casualty functions move to Finance and the Human Resources Division will continue to be responsible for workers’ compensation and safety programs. ○ The Human Resources Division and the Budget and Financial Planning Division entered into a consultant contract to strengthen the City’s capacity and procedures in regards to its fiduciary responsibilities associated with deferred compensation programs for employees. ○ The Public Works Department received a \$448,000 grant from the Oregon Transportation Commission for a transit information system that among other things will provide on-board transit stop announcements and automatic passenger counts. 	